



LODI CITY COUNCIL
Carnegie Forum
305 West Pine Street, Lodi

**** A G E N D A ****

REGULAR MEETING – Lodi City Council
SPECIAL MEETING – Lodi Public Improvement Corp.;
Industrial Development Authority; Lodi Financing Corp.; &
Redevelopment Agency

Date: December 19, 2007

Time: Closed Session 6:00 p.m.
Regular Meeting 7:00 p.m.

For information regarding this agenda please contact:
Randi Johl, City Clerk, (209) 333-6702

NOTE: All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 24 hours prior to the meeting date.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Actual Litigation: Government Code §54956.9(a); One Case; People of the State of California; and the City of Lodi, California v. M & P Investments, et al., United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM
- b) Actual Litigation: Government Code §54956.9(a); One Case; City of Lodi v. Michael C. Donovan, an individual; Envision Law Group, LLP, et al., San Francisco Superior Court, Case No. CGC-05-441976
- c) Threatened Litigation: Government Code §54956.9(b); One case; Potential Suit by Margaret Stewart Against City of Lodi Based on Personal Injury
- d) Conference with Blair King, City Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), Regarding Lodi Professional Firefighters, Lodi Police Officers Association, Lodi Police Dispatchers Association, and Association of Lodi City Employees Regarding Maintenance and Operators Pursuant to Government Code §54957.6

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll call

B. Invocation – Pastor Steve Elmore, Century Assembly Church

C. Pledge of Allegiance

D. Presentations

- D-1 Awards – None
- D-2 Proclamations – None
- D-3 Presentations – None

E. Consent Calendar (Reading; Comments by the Public; Council Action)

- E-1 Receive Register of Claims in the Amount of \$5,271,931.51 (FIN)
- E-2 Approve Minutes (CLK)
 - a) December 4, 2007 (Shirtsleeve Session)
 - b) December 5, 2007 (Regular Meeting)
 - c) December 11, 2007 (Shirtsleeve Session)
 - d) December 12, 2007 (Special Joint Meeting w/Lodi Planning Commission)

- Res. E-3 Approve Plans and Specifications and Authorize Advertisement for Bids for the Installation of Residential Water Meters (Phase 2); Approve Solicitation of Bids for 464 Water Meters; and Adopt Resolution to Establish Hersey, Sensus, and Badger Water Meters as Standard Water Meters for Future Purchases (PW)
- Res. E-4 Adopt Resolution Authorizing Additional Task Orders for West Yost and Associates to Prepare Work Plans Required by the City's Wastewater Discharge Permit and for Ongoing Permit Assistance and Appropriating \$317,000 in the Wastewater Fund (PW)
- E-5 Authorize Additional Task Orders with Treadwell & Rollo for Technical Work Anticipated in 2008 for Alternatives Analysis and Implementation of the Cleanup and Abatement Order for the Central Plume and Additional Groundwater Modeling for PCE/TCE Contamination Remediation (\$467,500) (PW)
- Res. E-6 Adopt Resolution Authorizing the City Manager to Execute Contract Change Order No. 4 with MV Public Transportation, Inc., to Add Computerized Dispatching Software, Installation, and On-Going Software Service Charges (Not to Exceed \$24,000) (PW)
- E-7 Accept Proposed Victor Road Dedication from Archer Daniels Midland and Approve Transfer to Caltrans (PW)
- Res. E-8 Adopt Resolution Authorizing the City Manager to Execute an Agreement with the Boosters of Boys/Girls Sports Organization (BOBS) for Concession Operations at the Grape Bowl Stadium, Kofu, Salas, and Zupo Parks and Other Locations for BOBS-Sponsored Events (PR)
- Res. E-9 Adopt Resolution Approving Improvement Agreement for the Public Improvements for Reynolds Ranch, Phase 1 (PW)
- E-10 Cancel January 2, 2008, Regular City Council Meeting (CLK)

F. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

G. Comments by the City Council Members on Non-Agenda Items

H. Comments by the City Manager on Non-Agenda Items

I. Public Hearings

- Res. I-1 Public Hearing to Consider Adopting Resolution Approving Paratransit Service Policy and Procedures and Implementing Proposed Changes to Existing Dial-A-Ride Services (PW)

J. Communications

- J-1 Claims Filed Against the City of Lodi
a) Application for Leave to Present Late Claim for Carlos Tobar, Date of Loss 3/18/07 (CLK)
- J-2 Appointments
a) Post for Expiring Terms on the Lodi Senior Citizens Commission, San Joaquin County Mosquito and Vector Control District, and the Site Plan and Architectural Review Committee (CLK)
- J-3 Miscellaneous
a) Monthly Protocol Account Report (CLK)

K. Regular Calendar

- K-1 Presentation Regarding Proposed Art in Public Places Art Piece by Artists Rowland Cheney and Chris Kralj (COM)
- K-2 Presentation of June 30, 2007, Financial Condition for All City of Lodi Funds (CM)
- Res. K-3 Adopt Resolution Authorizing the City Manager to Execute an Updated Second Phase Member Agreement with the Northern California Power Agency for the Lodi Energy Center (\$3,030,000) (EUD)
- Res. K-4 Adopt Resolution Authorizing the City Manager to Enter into a First Amendment to World of Wonders Science Museum Lease to Extend Commencement of Rent Obligation (CM)
- Res. K-5 Adopt Resolution Establishing the Community Development Block Grant Allocation Policy (CD)
- K-6 Authorize Staff to Commence Negotiations with Central Valley Waste Services (Waste Management) to Exercise Contract Renewal Option (PW)
- K-7 Approve Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases Being Handled by Outside Counsel (\$195,434.92) (CA)

L. Ordinances – None

M. Reorganization of the Following Agency Meetings:

- Res. M-1 Lodi Public Improvement Corporation
- Res. M-2 Industrial Development Authority
- Res. M-3 Lodi Financing Corporation
- Res. M-4 City of Lodi Redevelopment Agency

N. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Randi Johl
City Clerk



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Register of Claims Dated November 22, and November 29, 2007 in the Total Amount of \$5,271,931.51

MEETING DATE: December 19, 2007

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for \$5,271,931.51.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$5,271,931.51 dated 11/22/07, and 11/19/07. Also attached is Payroll in the amount of \$1,191,245.57.

FISCAL IMPACT: n/a

FUNDING AVAILABLE: As per attached report.

Ruby R. Paiste, Financial Services Manager

RRP/rp

Attachments

APPROVED: _____
Blair King, City Manager

Accounts Payable
Council Report

Page - 1
Date - 12/03/07
Amount

As of Thursday	Fund	Name	Amount
11/22/07	00100	General Fund	423,402.23
	00123	Info Systems Replacement Fund	3,238.80
	00130	Redevelopment Agency	495.00
	00160	Electric Utility Fund	1,575.59
	00164	Public Benefits Fund	570.88
	00170	Waste Water Utility Fund	13,839.70
	00171	Waste Wtr Util-Capital Outlay	2,499.93
	00172	Waste Water Capital Reserve	471.50
	00180	Water Utility Fund	7,929.82
	00182	IMF Water Facilities	707.90
	00210	Library Fund	2,350.61
	00235	LPD-Public Safety Prog AB 1913	1,307.20
	00260	Internal Service/Equip Maint	8,007.79
	00270	Employee Benefits	12,663.47
	00310	Worker's Comp Insurance	31,022.92
	00320	Street Fund	1,293.07
	00321	Gas Tax	9,847.13
	00340	Comm Dev Special Rev Fund	71,775.64
	01218	IMF General Facilities-Adm	10,704.51
	01250	Dial-a-Ride/Transportation	8,931.27
	01410	Expendable Trust	54,810.09
Sum			667,445.05
Total for Week			
Sum			667,445.05

Accounts Payable Council Report			Page Date	- 1 - 12/03/07
As of Thursday	Fund	Name	Amount	
11/29/07	00100	General Fund	660,830.40	
	00160	Electric Utility Fund	3,812,159.64	
	00161	Utility Outlay Reserve Fund	18,803.75	
	00164	Public Benefits Fund	340.58	
	00170	Waste Water Utility Fund	53,395.06	
	00172	Waste Water Capital Reserve	5,945.41	
	00180	Water Utility Fund	1,486.93	
	00210	Library Fund	2,411.53	
	00235	LPD-Public Safety Prog AB 1913	4,062.76	
	00260	Internal Service/Equip Maint	30,326.40	
	00321	Gas Tax	1,129.94	
	00325	Measure K Funds	135.18	
	00340	Comm Dev Special Rev Fund	947.96	
	01250	Dial-a-Ride/Transportation	9,662.34	
	01410	Expendable Trust	2,810.50	
Sum			4,604,448.38	
	00184	Water PCE-TCE-Settlements	38.08	
Sum			38.08	
Total for Week				
Sum			4,604,486.46	

Council Report for Payroll

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Date

- 12/03/07

Payroll	Pay Per Date	Co	Name	Gross Pay
Regular	11/18/07	00100	General Fund	765,356.22
		00160	Electric Utility Fund	141,676.18
		00164	Public Benefits Fund	5,208.75
		00170	Waste Water Utility Fund	84,216.98
		00180	Water Utility Fund	1,630.05
		00210	Library Fund	34,345.82
		00235	LPD-Public Safety Prog AB 1913	4,082.34
		00260	Internal Service/Equip Maint	21,012.22
		00321	Gas Tax	55,631.85
		00340	Comm Dev Special Rev Fund	33,424.16
		01250	Dial-a-Ride/Transportation	3,114.56
Pay Period Total:				
Sum				1,149,699.13
Retiree	12/31/07	00100	General Fund	41,546.44
Pay Period Total:				
Sum				41,546.44



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) December 4, 2007 (Shirtsleeve Session)
b) December 5, 2007 (Regular Meeting)
c) December 11, 2007 (Shirtsleeve Session)
d) December 12, 2007 (Special Joint Meeting w/Lodi Planning Commission)

MEETING DATE: December 19, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) December 4, 2007 (Shirtsleeve Session)
b) December 5, 2007 (Regular Meeting)
c) December 11, 2007 (Shirtsleeve Session)
d) December 12, 2007 (Special Joint Meeting w/Lodi Planning Commission)

BACKGROUND INFORMATION: Attached are copies of the subject minutes, marked Exhibits A through D.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP

Attachments

APPROVED: _____
Blair King, City Manager

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, DECEMBER 4, 2007**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, December 4, 2007, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Hitchcock, Katzakian, Mounce, and Mayor Johnson

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

B-1 "Presentation by Jim Glaser, Interim Director of the San Joaquin County Local Agency Formation Commission, Regarding Area of Interest and Sphere of Influence"

City Manager King briefly introduced the subject matter of an area of interest and a sphere of influence.

San Joaquin County Local Agency Formation Commission (LAFCO) Interim Executive Officer, Jim Glaser, provided a presentation regarding the policies and procedures, spheres of influence, service reviews, and annexation. Specific topics of discussion included what LAFCO is, the history of the organization, the San Joaquin County area LAFCO, membership make-up and issues, areas of interest policy and sphere of influence plan, municipal review policies, Stockton policies that are relative to the same, annexations, approval of policies that are not in conflict with other agencies through memorandum of understanding, community separator addressed through an area of interest, and service provided through sphere of influence only and not an area of interest.

In response to Council Member Hansen, Mr. Glaser stated there are many types of districts and they could include fire districts and irrigation districts among others.

In response to Council Member Hansen, Mr. Glaser stated all LAFCO's have city representation on a rotation basis. City Attorney Schwabauer stated the membership is set by statute. City Manager King added that some cities have membership selection committees. Mr. Glaser stated all LAFCO members are required to act on behalf of LAFCO and not individual cities.

In response to Mayor Johnson, Mr. Glaser stated there is some opportunity for infill; although, it is difficult with time and ownerships by various parties. Mr. Glaser stated infill policies are referenced on pages 2, 3, and 13 to 14. He stated the language requires an effort to address infill before open space land is utilized.

In response to Council Member Hansen, Mr. Glaser stated that, if a city had no growth control, historical numbers and related information from the San Joaquin Council of Governments would likely be used to determine the needs. He stated that, while LAFCO does not have land use authority, the Commission is entitled to make decisions after receiving recommendations. He stated the process is objective because a random number cannot be chosen since the data must be based on historical numbers.

In response to Council Member Hansen, Mr. Glaser stated the State growth control numbers are given some consideration indirectly, but because LAFCO is not a planning agency, there is no direct affect on growth rate or demand.

In response to Council Member Hitchcock, Mr. Glaser stated the authority for an area of interest and sphere of influence (SOI) is given by statute. He stated a SOI is not supposed to have open space unless there is a plan to annex, but an area of interest can preserve land that is unique to a city.

In response to Mayor Johnson, Mr. Glaser stated he is not aware of the specifics regarding the septic requirements for the Armstrong Road parcels, but a SOI will likely be needed and concentration will be a factor.

In response to Council Member Hansen, Mr. Glaser and Mr. Vogel confirmed that two acres can have their own septic system and one acre or less can link to the District or City for services.

Discussion ensued between City Manager King and Mr. Glaser regarding the County's ability to provide service review and zone outside of any review by LAFCO if the vote requirement is met for an annexation.

In response to Council Member Hansen, Mr. Glaser stated LAFCO is in the process of recruiting for the permanent director position.

In response to Council Member Hitchcock, Mr. Glaser confirmed that he is applying for the position.

In response to Council Member Hansen, Mr. Glaser stated that, regardless of the particular director, the policies and procedures must be consistent as the Commission is committed philosophically to the same for continuity purposes.

San Joaquin County Board of Supervisor Ken Vogel briefly discussed the County's position on the policy, committee work on policy adoption based on state legislation, setting rules and procedures for cities as a non-land use authority, general direction for good planning purposes to direct reasonable growth, the need for balance with the General Plan, review of the AL-5 cluster zoning, and working on the long-term concerns regarding septic tank usage.

In response to Council Member Hansen, Mr. Vogel stated in his opinion the growth figures are overstated and there needs to be a balance between growth and infrastructure such as roads. He stated the County should develop services for areas that will never be a part of a City while the City should provide services to predominantly residential based areas.

Discussion ensued between Council Member Hansen and Mr. Vogel regarding the natural growth area between Stockton and Lodi, the path of development, rights of affected landowners, the preservation of a community separator through AL-5 designation, and the criteria associated with AL-5 and AG-40 as it relates to the General Plan and a SOI. Mr. Vogel stated the County General Plan will take approximately three years after the consultant is hired in January 2008.

In response to Council Member Hitchcock, Mr. Glaser stated only one city can be in an area of interest at one time and it is generally based on first come first serve. Mr. Schwabauer confirmed based on his interpretation of Section 10(b) of the policy.

Mr. King stated staff is awaiting a formal request from the County regarding financial participation from the City to bring the matter back to the City Council for consideration. Mr. Vogel stated he will speak to the CAO and the Board regarding the same. Mr. Vogel stated, if the zoning is addressed now through an environmental review, it would cost between \$300,000 to \$400,000. He stated that, if it is addressed through the General Plan, it would cost \$100,000, but it would take up to three years.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:05 a.m.

ATTEST:

Randi Johl, City Clerk

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, DECEMBER 5, 2007**

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of December 5, 2007, was called to order by Mayor Johnson at 7:00 p.m.

Present: Council Members – Hansen, Hitchcock, Katzakian, Mounce, and Mayor Johnson

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and Deputy City Clerk Perrin

B. INVOCATION

The invocation was given by Pastor Scott Hubbard, Crossroads Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 (a) Mayor Johnson presented the Community Service Award plaques to the following recipients:

- Tracy Williams – LOEL Center; served with the Lodi Police Department as a volunteer, the Boy Scouts of America, Cancer Society board member, Lodi Conference and Visitors' Bureau board member, Lodi Memorial Hospital Association, and the Boosters of Boys/Girls Sports Organization; involved with the City of Lodi Centennial celebration and Lodi Adopt-A-Child; recipient of the first Rising Star for the Lodi Community Hall of Fame; and involved with the Transit Oriented Development task force for the City of Lodi.
- Kathy Grant – Lodi Storm Drain Detectives; Lodi Lake Docents; and activist for keeping Mokelumne River clean, as well as parks and other areas throughout this community.

D-2 Proclamations – None

D-3 (a) Library Services Director Nancy Martinez presented information on the \$109.90 Centennial Campaign to raise funds for the renovation of the library facility. Anyone interested in making a donation was urged to contact the Lodi Public Library Foundation at 333-5536 or visit the Website at www.lodilibraryfoundation.org. To date, \$10,000 has been raised toward the renovation project.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Mayor Pro Tempore Mounce, Katzakian second, unanimously approved the following items hereinafter set forth:

E-1 Claims were approved in the amount of \$5,396,329.76.

E-2 The minutes of November 20, 2007 (Shirtsleeve Session), November 21, 2007 (Regular Meeting), and November 27, 2007 (Shirtsleeve Session) were approved as written.

E-3 Adopted Resolution No. 2007-237 rejecting the sole bid for Wastewater Main Replacement Program, Project No. 4, in the vicinity of Kettleman Lane, Stockton Street, Central Avenue, and Mission Street.

E-4 Adopted Resolution No. 2007-238 awarding the purchase of 14 units of Lodi-48 primary vaults with covers to Jensen Precast, of Sacramento, CA, in the amount of \$89,923.63.

E-5 Adopted Resolution No. 2007-239 awarding the purchase of 25,000 feet of 1,100 kcmil 15kV underground cable to The Okonite Company, of San Ramon, CA, in the amount of \$154,675.12.

E-6 Accepted the improvements under "Citywide School Safety Signage Project" contract.

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

None.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King provided an overview of the City Council's accomplishments over the course of the last year. General topics of discussion included, but were not limited to, the increase in the General Fund, Wastewater, and Electric Utility reserves; the improved creditworthiness of Electric Utility; possibility of redevelopment area; participation in San Joaquin County Enterprise Zone; agreement to explore feasibility of a downtown hotel; support for commuter rail through Lodi and a community separator; progress on development of affordable senior housing and on the General Plan update; settlements with the City's PCE/TCE insurance providers; and establishment of Water Meter Installation Policy.

I. PUBLIC HEARINGS

None.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Council Member Hansen, Mounce second, unanimously made the following appointments:

Lodi Animal Advisory Commission

Linda Castelanelli	Term to expire December 31, 2008
Shara Guerrette	Term to expire December 31, 2008
Rose Hilliard	Term to expire December 31, 2009
Phillip Laughlin	Term to expire December 31, 2009
Gina Mendes	Term to expire December 31, 2010
Christy Morgan	Term to expire December 31, 2010
Julia Priest	Term to expire December 31, 2010

J-3 Miscellaneous – None

K. REGULAR CALENDAR

None.

L. ORDINANCES

None.

M. REORGANIZATION OF THE CITY COUNCIL

City Manager King presented a plaque in appreciation to outgoing Mayor Johnson and expressed appreciation for his leadership and conduct of City meetings.

Mayor Johnson thanked the people of Lodi for giving him this opportunity to serve; City staff for their hard work and dedication in helping the Council and community to accomplish so much during this past year; and his wife, Caroline, for her support and understanding. Mr. Johnson expressed hope that the City will continue moving forward despite the difficult year that lies ahead and requested the public make themselves be heard by attending meetings and participating.

Deputy City Clerk Perrin, acting as Chair, opened and called for nominations for the election for the office of Mayor.

NOMINATION(S) FOR MAYOR:

Council Member Johnson made a motion, second by Council Member Hansen, to nominate JoAnne Mounce to the office of Mayor. There being no further nominations for the office of Mayor, the nominations were closed.

VOTE:

In regard to the nomination of JoAnne Mounce to the office of Mayor, the motion carried by the following vote, thereby adopting Resolution No. 2007-240:

Ayes: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mounce

Noes: Council Members – None

Absent: Council Members – None

NOMINATION(S) FOR MAYOR PRO TEMPORE:

Deputy City Clerk Perrin turned over the meeting to newly elected Mayor Mounce who then opened and called for nominations for the election for the office of Mayor Pro Tempore.

Council Member Hitchcock made a motion, second by Council Member Johnson, to nominate Larry Hansen to the office of Mayor Pro Tempore. There being no further nominations for the office of Mayor Pro Tempore, the nominations were closed.

VOTE:

In regard to the nomination of Larry Hansen to the office of Mayor Pro Tempore, the motion carried by the following vote, thereby adopting Resolution No. 2007-241:

Ayes: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Noes: Council Members – None

Absent: Council Members – None

DISCUSSION

Mayor Pro Tempore Hansen congratulated Bob Johnson on streamlining procedures and running the meetings in a more timely and efficient manner without sacrificing anything and expressed deep gratitude and appreciation to his wife, Linda, and daughter, Mary, for their endless love and support.

Council Member Hitchcock also praised Bob Johnson on a great year as Mayor and congratulated newly-elected Mayor Mounce, stating she will do a wonderful job this upcoming year.

Council Member Katzakian expressed gratitude to Bob Johnson for a successful year; thanked his fellow Council Members and staff for their assistance during his first year on the Council; and thanked his family for their continued support.

Mayor Mounce expressed appreciation to her fellow Council Members for their support in allowing her to serve as Mayor this year, stating she would do her best in running an effective meeting, and further thanked her family, supporters, and co-workers from Dougherty CPA. Mayor Mounce encouraged the community to attend meetings and participate in discussions.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 7:41 p.m.

ATTEST:

Jennifer M. Perrin
Deputy City Clerk

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, DECEMBER 11, 2007**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, December 11, 2007, commencing at 7:00 a.m.

A. ROLL CALL

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

B-1 "Presentation on Revisions to Vehicle Replacement Policy"

City Manager King provided a brief introduction of the subject matter of the vehicle replacement policy.

Deputy City Manager Krueger and Consultant Marshall Eyerman provided a PowerPoint presentation regarding the vehicle replacement policy. Specific topics of discussion included the current policy of 1997 and status of vehicles, objectives and options associated with vehicle replacement, vehicle replacement fund and balances, costs, reserves, efficient use of vehicles, economic retention, initial funding, annual lease payments, use of prior public safety vehicles, fully and partially utilized vehicles, and draft replacement budget policy.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated the full accounting for vehicles by departments will include replacement costs and ongoing operations and maintenance. Mr. King provided an example of the \$14 million Police Department budget and how it would reflect the vehicle replacement to show the actual cost of operations.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated the cost of each vehicle would be reflected in the department budget to show exactly what the replacement and use costs would be.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated if a department works efficiently there is a mechanism by which the department may be able to use the additional funding or transfers may be made to a separate fund.

In response to Mayor Pro Tempore Hansen, Mr. Krueger confirmed that additional reserves may help take care of those special contingency and costly vehicles that need to be unexpectedly replaced.

In response to Mayor Mounce, Mr. King stated there are approximately 270 vehicles in the fleet according to the 2006-07 budget.

In response to Council Member Johnson, Mr. Krueger stated staff is attempting to enhance the existing policy, which has guidelines for vehicle replacement but does not have the necessary funding. Mr. King confirmed that the current policy and practices do not conform. Mr. Callahan stated the existing policy was set up as minimum guidelines and can be changed as Council wishes.

In response to Council Member Hitchcock, Mr. King stated discipline is needed to provide funding for replacement. He stated the current process of review is through a committee with a final sign off by the City Manager.

In response to Council Member Hitchcock, Mr. King stated vehicle costs would be proportionate and automatically assigned to each department as is the case for personnel costs.

In response to Mayor Pro Tempore Hansen, Mr. Callahan stated staffing is still short two employees from the level that it was approximately ten years ago. He stated this may affect the vehicle maintenance schedule. Mr. Krueger stated the goal is to have an effective policy, which encompasses best practices.

Discussion ensued between Council Member Hitchcock and Mr. King regarding the need for department heads to possess greater financial skills and the ability of the department to make decisions pertaining to the number of vehicles that are needed and by what method they are to be acquired.

In response to Council Member Johnson, Mr. Krueger stated the incentive would be to use an old vehicle and not incur any charges, or acquire a new vehicle with a lease payment and ongoing replacement costs.

In response to Council Member Johnson, Mr. Callahan stated the City does a good job of effectively using the older vehicles when the option exists.

A brief discussion ensued between Mayor Pro Tempore Hansen and Mr. King regarding the positive effect the proposed policy will have because it will provide an opportunity to replace vehicles when needed.

In response to Mayor Pro Tempore Hansen, Mr. Callahan confirmed that they inspect recycled vehicles for maintenance, appearance, and other needs before transferring from one department to another.

In response to Mayor Pro Tempore Hansen, Mr. Callahan confirmed that they are still using the Sheriff's Department for painting due to cost savings and the quality of work.

In response to Myrna Wetzel, Mr. Callahan stated that, if a vehicle no longer meets the needs of the City or any department, it is sent to auction.

Mr. Krueger stated the \$2.5 million will be applied to the oldest vehicles first and after that point it will be necessary to have a reasonable balance for ongoing replacement and operations and maintenance costs on vehicles.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated the policy is proposed to be implemented at the end of the current fiscal year and the \$500,000 for the 2008-09 year may change.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated the policy will provide more contingencies when a piece of major rolling stock does go down and needs to be replaced. Mr. King stated the full accounting of \$5 million to \$7 million is for all vehicles, but not all vehicles need to be replaced. He stated the \$2.5 million is good to start with and allows interest building.

In response to Council Member Hitchcock, Mr. Krueger stated on annual basis vehicle replacement costs are approximately \$100,000.

In response to Council Member Hitchcock, Mr. Krueger stated the policy will likely require approximately \$600,000 to \$700,000 when it is all worked out. He stated the term "lease" is used when the vehicle fund owns the vehicle and a lease payment is charged to a department for usage of the vehicle.

Discussion ensued between Council Member Hitchcock and Mr. King regarding the calculation of the costs of each vehicle by the vehicle division, the assignment of such costs to the individual departments, and the options for maintenance and lease payments by the departments.

In response to Council Member Hitchcock, the consultant stated the current trend in fiscally challenging times is to assign vehicle costs to each individual department to better track where the money is going.

In response to Council Member Johnson, Mr. Krueger stated \$1 million is the catch up amount and that amount will either come from the General Fund or be assigned to the individual departments.

In response to Mayor Pro Tempore Hansen, Mr. Callahan stated the City does not have a specific policy on which cars to buy as far as make and model are concerned. He stated historically they have bought American; although, that is changing based on the lifecycle and upfront costs of a vehicle.

Council Member Johnson asked the City Clerk to research what types of vehicles other cities purchase and use.

In response to Myrna Wetzel, Mr. King stated individual departments do not hold the vehicle fund as it is a separate fund in the budget itself.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:10 a.m.

ATTEST:

Randi Johl
City Clerk

**LODI CITY COUNCIL
SPECIAL JOINT CITY COUNCIL MEETING
WITH THE LODI PLANNING COMMISSION
HUTCHINS STREET SQUARE, 125 S. SCHOOL STREET
WEDNESDAY, DECEMBER 12, 2007**

A. CALL TO ORDER / ROLL CALL

The Special Joint City Council meeting with the Lodi Planning Commission of December 12, 2007, was called to order by Mayor Mounce at 6:00 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Present: Planning Commissioners – Cummins, Hennecke, Kirsten, Kiser, and
Chairperson Mattheis

Absent: Planning Commissioners – Olson and White

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. TOPIC(S)

City Manager King and Consultant Rad Bartlam briefly introduced the subject matter. Consultant Rajeev Bhatia provided a PowerPoint presentation regarding the General Plan update. Specific topics of discussion included the meeting agenda, alternatives, General Plan requirements, General Plan elements, timeline for adoption, and the four background papers regarding (1) land use, transportation, infrastructure, and environmental resources; (2) urban design and livability; (3) economics and demographics; and (4) greenbelt. Additional topics included community participation with surveys, workshops, stakeholder meetings, neighborhood forums, and newsletters.

Additional discussion was had regarding the following: greenbelt options to the south of the City, community's desires for a small town, need for a plan for the greenbelt, options for buffer around the City, minor growth in every direction except to the north due to the river, possibility of AL-5 zoning, economic viability for cluster zoning, concerted effort for greenbelt by leadership, financial options associated with greenbelt, greenbelt options to south with development to east and west, regional park around Mokelumne River, protection of river to north, Local Agency Formation Commission involvement with area of interest, current and future growth development to the west, projected growth rates for one and two percents, density and intensity of growth, upward growth in the downtown area, senior housing, improvements along Cherokee Lane, economic viability along major commercial corridors, mixed use housing options along main corridors, existing industrial growth to the south and north, area of interest does not protect against County, neighborhood parks, need for balance in General Plan amendment, mixed use for infill and new areas, redevelopment project application, parking in downtown with revitalization, exclusionary policy for development outside downtown area for retail, ability to attract retail business in downtown for sales tax, employment creation towards east and existing jobs along 99 corridor, industrial growth around Highway 12 and Turner Road, Delta College relationship to residential and commercial, current transportation system and needs including rail system, balance between businesses and size of City, recreation activities and facilities, more retail in City for sales tax purposes, green and sustainable technology, and historical preservation.

The above-referenced materials and presentations are on file with the City Clerk's office.

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 9:02 p.m.

ATTEST:

Randi Johl
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for the Installation of Residential Water Meters (Phase 2); Approve Solicitation of Bids for 464 Water Meters; and Adopt Resolution to Establish Hersey, Sensus, and Badger Water Meters as Standard Water Meters for Future Purchases

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve the plans and specifications and authorize advertising for bids for the Installation of Residential Water Meters (Phase 2) project; approve the solicitation of bids for 464 residential water meters; and adopt a resolution to establish Hersey, Sensus, and Badger water meters as standard water meters for future purchases.

BACKGROUND INFORMATION: The Installation of Residential Water Meters (Phase 2) project includes the installation of approximately 464 domestic water meters with remote reading capabilities. The contractor will install City-provided water meters at the locations shown on Exhibit A.

This project is the second phase of the water meter installation program, following the water meter pilot project which was approved by the Council on October 19, 2005, and per the Water Meter Retrofit Policy approved by Council on May 2, 2007. This phase will install water meters in residential subdivisions which have meter boxes already installed, and the meters were paid for with the building permit. The affected residents will still be charged a flat rate for their water usage until such time that the City starts the water meter reading program, which, by State law, must begin by January 1, 2010.

The criteria used to establish the project location is based on the following: 1) the areas include homes that were constructed after 1992 when the City began collecting fees for the purchase and installation of water meters; and 2) the areas are within the same electric meter reading route which allows for concurrent, automatic water and electric meter reading.

Based on the meter performance, ease of installation, and product support experienced during the pilot project, staff is recommending that Hersey, along with Sensus, and Badger meters be established as the City's standard water meter for use on this and future meter installation projects. Limiting the standardized water meters to Hersey, Sensus, and Badger will assure competitive prices, increase department efficiency in meter maintenance and repair, and provide compatibility with the City's current Itron-based reading system. These United States companies are all over 100 years old and manufacture their meters in this country, except Badger has a joint Rio Rico, Arizona/Nogales, Mexico facility. This solicitation will supply the residential meters for the Phase 2 water meter installation project.

APPROVED: _____
Blair King, City Manager

Plans and specifications are on file in the Public Works Department.

FISCAL IMPACT: The water rates for the affected residents will remain on a flat rate until such time that the City adopts a residential water rate schedule. There will be a slight increase in long-term maintenance and replacement costs, which will be addressed in the future metered water rate.

FUNDING AVAILABLE: Funding for this project will be coming from the Water Fund. The budget appropriation is \$140,000 for the 2007/08 fiscal year. The meter purchase portion of the project is estimated to be \$68,000 and the installation portion of the project is estimated to be \$72,000.

Budgeted: 2007/08 fiscal year
Planned Bid Opening Date: January 9, 2008

Kirk Evans, Budget Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Lyman Chang, Senior Civil Engineer

RCP/LC/pmf

Attachment

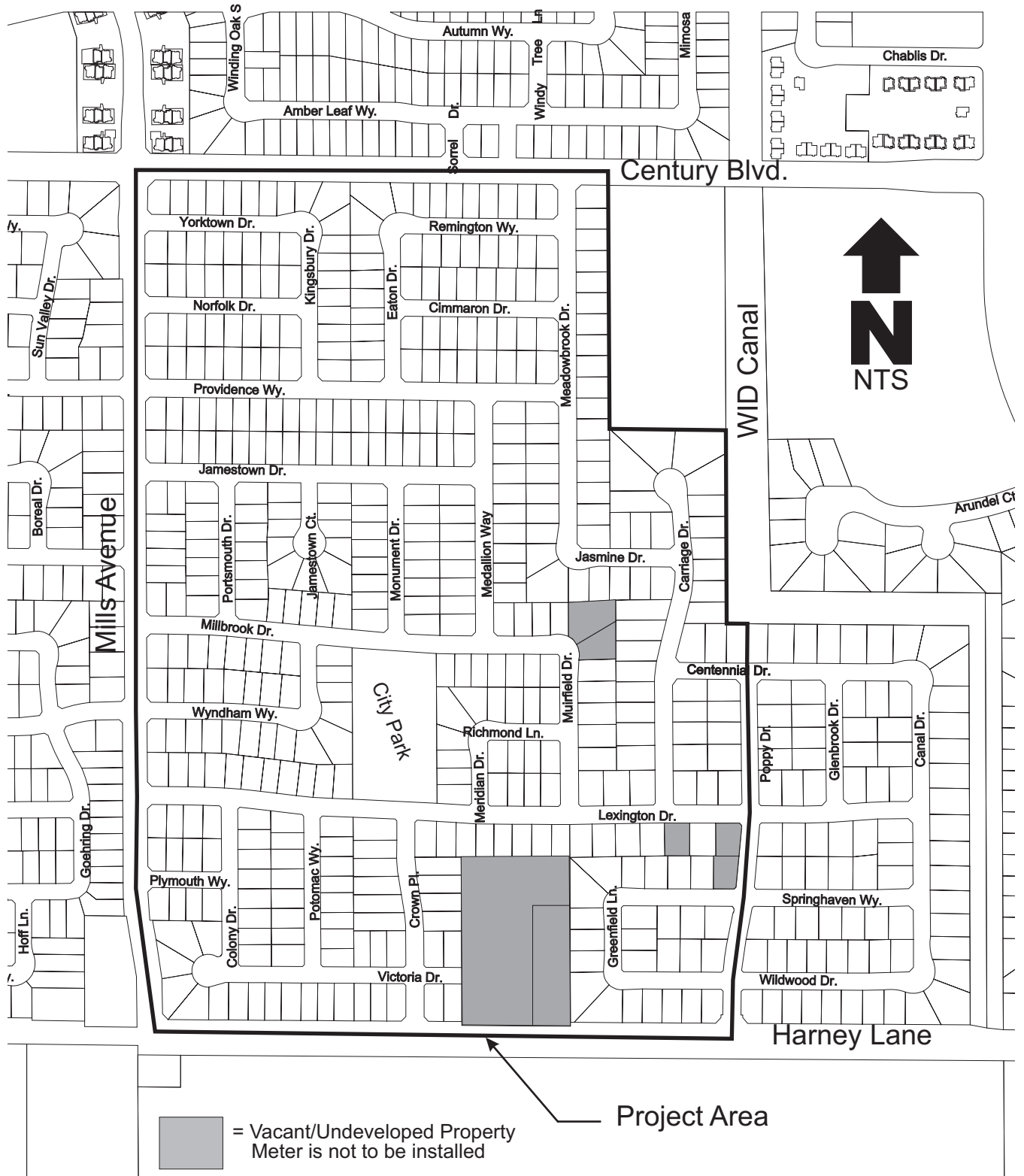
cc: Purchasing Officer
Water Services Manager
Senior Civil Engineer Chang



CITY OF LODI

PUBLIC WORKS DEPARTMENT

EXHIBIT A VICINITY MAP Water Meter Installation Area



RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL
ESTABLISHING STANDARDIZATION OF WATER
METERS FOR FUTURE PURCHASES

=====

WHEREAS, based on the meter performance, ease of installation, and product support experienced during the pilot project, staff recommends that Hersey, Sensus, and Badger meters be established as the City's standard water meter for use on future meter installation projects; and

WHEREAS, limiting the standardized water meters to Hersey, Sensus, and Badger will assure competitive prices, increase department efficiency in meter maintenance and repair, and provide compatibility with the City's current Itron-based reading system; and

WHEREAS, Lodi Municipal Code §3.20.040 – Exemptions from Centralized Purchasing – authorizes the City Council to standardize on specific supplies, services and equipment.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby establishes Hersey, Sensus and Badger water meters as standard water meters for future purchases.

Dated: December 19, 2007

=====

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing Additional Task Orders for West Yost & Associates to Prepare Work Plans Required by the City's Wastewater Discharge Permit and for Ongoing Permit Assistance and Appropriating \$317,000 in the Wastewater Fund

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution authorizing additional task orders for West Yost & Associates to prepare White Slough Water Pollution Control Facility work plans required in the City's discharge permit issued by the State Central Valley Regional Water Quality Control Board and for additional ongoing permit assistance and appropriating \$317,000 in the Wastewater Fund.

BACKGROUND INFORMATION: The City's new wastewater discharge permit includes requirements for a number of studies to be conducted and plans or reports to be developed on various aspects of the City's wastewater treatment operations. These studies begin with preparation of a work plan which describes, in some detail, the work to be done, sampling methods and frequencies, reports to be issued and a schedule. In addition, the City's permit issued by the Central Valley Regional Water Quality Control Board, has been appealed (the formal term is "petitioned") to the State Water Resources Control Board by the California Sportfishing Protection Alliance (CSPA).

Our wastewater consultant, West Yost & Associates, has furnished the City with a combined proposal to address these issues (Exhibit A). The regulatory issues involved include preparing a response to the CSPA petition, working with the San Joaquin Valley Unified Air Pollution Control District on the new biosolids rule, and assisting City staff in implementing the various new permit compliance requirements.

The studies/plans that need work plans include the following, which are explained in more detail in Exhibit A:

- A Corrective Action Plan/Method of Compliance Plan – This pertains to new compliance limits on aluminum, ammonia, chlorodibromomethane and dichlorobromomethane.
- Pollution Prevention Plan – This plan includes evaluating sources and potential reduction of the above constituents plus manganese, nitrate and nitrite (except ammonia).
- Toxicity Reduction Evaluation – This involves the various aquatic life tests that are performed on the City's effluent.
- Title 22 Report – This is for the required preparation of a report to State Department of Health Services Standards covering use of recycled water.
- Winter Irrigation Management Plan – This pertains to risks from flooding.
- Temperature Study – This pertains to establishing site-specific discharge requirements for the temperature of the City's wastewater discharge.

APPROVED: _____
Blair King, City Manager

- Industrial Influent Characterization Study – This involves the City's separate industrial (primarily cannery) wastewater effluent which is land applied.
- Land Discharge Loading Study – This pertains to the new requirement that limits application rates of industrial wastewater (primarily cannery).

Separate task orders for groundwater studies will be brought to the Council separately.

Staff is recommending that we continue to utilize the services of West Yost & Associates for this work as they are very familiar with the City's permit and our operations and have performed well for us in the past.

FISCAL IMPACT: The estimated cost for this work is \$288,200 and staff would suggest a contingency amount of approximately 10% in the event of unforeseen issues, for a total of \$317,000. The studies/plans are required in the City's permit and non-performance would subject the City to significant fines.

FUNDING AVAILABLE: These costs were not identified during the budget process in early 2007 since the permit was not issued until after the budget was completed but were accounted for in the recent fiscal analysis prepared for the 2007 Wastewater COP financing. Some of the costs will be directly recovered through adjustments in Industrial System charges as provided in the City's ordinance.

Kirk Evans, Budget Manager

Richard C. Prima, Jr.
Public Works Director

RCP/pmf

Attachment

cc: Charlie Swimley, Water Services Manager
Bruce West, West Yost & Associates



November 16, 2007

Mr. Richard C. Prima Jr.
Public Works Director
City of Lodi
221 West Pine Street
Lodi, CA 95240

SUBJECT: Proposal for Engineering Services—NPDES Permit Adoption Support, SWRCB
Petition Response Support, and Permit Compliance Studies for Fiscal Year
2007-2008

Dear Mr. Prima:

West Yost Associates (WYA) appreciates the opportunity to present to you this letter proposal for engineering services related to ongoing assistance to the City of Lodi (City) in meeting the compliance requirements for the Lodi Water Pollution Control Facility (WPCF).

The scope of work presented in this proposal includes the development of work plans and other submittals that are anticipated to be needed within the next six to nine months (through the end of the 2007/2008 Fiscal Year). The tasks completed under this scope of work will be used to define the scope for later efforts, thereby resulting in the most efficient use of the City's resources. As such, each of the tasks outlined below could be expanded to cover additional support efforts required by the City as the individual studies progress.

Note that the scope of work for some of the efforts described below can only be estimated at this time, and the associated budget presented below for this task are based on WYA's knowledge of the City's current permitting concerns. If these budgets are not expended in the timeframe anticipated for this scope of services, they can be directed toward the completion of later efforts.

WYA will continue to rely on support from our legal team at Somach, Simmons, and Dunn (SSD) to complete certain work efforts described in this letter. In addition, Robertson Bryan Inc. (RBI) will be subcontracted for the tasks that require expertise in accessing toxicity and fish and aquatic life habitats in the receiving waters; and Dr. Mitchell Johns, a certified agronomist, will be retained to provide support in assessing the City's land management activities.

OVERVIEW

The Regional Water Quality Control Board (Regional Board) adopted the final NPDES permit and associated Time Schedule Order (TSO) for the City's WPCF on September 14, 2007. A schedule

showing the compliance activities required over the entire five year term of this permit is attached to this scope of work. As shown, there are several tasks that will require development within the next six to nine months. This scope of work is intended to cover the majority of these efforts.

Note that this scope does not cover any efforts pertaining to groundwater requirements in the permit. These efforts haven been presented under a separate scope of work. In addition, this scope of work does not include a separate task to complete the Organic Loading Study. Under the Regulatory Program Management task, WYA will provide support for completing these efforts; however, the majority of the study will be funded under a separate contract with the PCP Cannery.

A Petition for Permit Review was filed by the California Sports Fisheries Alliance on October 14, 2007. This petition requests that the State Water Resources Control Board (State Board) vacate the recently adopted NPDES permit and remand it to the Regional Board with instructions prepare and circulate a new tentative order that comports with regulatory requirements. Assuming this petition is deemed complete and the State Board elects to review the City's permit, the City will need to develop and submit a comprehensive response to the petition within the next 60 days. The City may also be required participate in an evidentiary hearing in front of the State Board. This scope of work includes a task to provide the City with support in these efforts. This task also includes the development of a response to the State Water Resources Control Board (State Board) staff issued report "City of Lodi Wastewater Disposal Practices and Groundwater Impacts" (State Board Report) that was already completed by WYA during the permit renewal process.

In March 2007, the San Joaquin Valley Air Pollution Control District (SJVAPCD) adopted Biosolids Operation Rule 4565. This rule requires that the implement additional controls for Volatile Organic Carbon (VOC) emissions from the City's biosolids land application practices. The City will not be able to comply with the SJVAPCD Biosolids Operation Rule by the compliance date of March 2008. Therefore, the City will need to work with SJVAPCD staff to identify a compliance strategy and timeline that can be incorporated into a temporary variance. This scope of work includes a task to provide the City with ongoing assistance related to the SJVAPCD Biosolids Operation Rule 4565, including some efforts that have already completed by WYA.

SCOPE OF WORK

The proposed scope of services includes the following tasks:

- Task 1. Project Management
- Task 2. State Board Report Response and State Board Petition Support
- Task 3. SJVAPCD Biosolids Rule Compliance
- Task 4. Regulatory Program Management
- Task 5. Land Application Monitoring Coordination
- Task 6: Compliance Studies (Includes Data Review, Compliance Action Plan Development, and Pollution Prevention Plan Work Plan Development)
- Task 7: Toxicity Reduction Evaluation (Includes Data Review and Work Plan Development)
- Task 8: Title 22 Report (Includes Work Plan Development)
- Task 9: Wintertime Irrigation Management Plan (Includes Work Plan Development)
- Task 10: Temperature Study (Includes Data Review and Work Plan Development)
- Task 11: Industrial Influent Characterization Study (Includes Work Plan Development)
- Task 12. Land Discharge Organic Loading Study (Includes Work Plan Development)

These tasks are discussed in more detail below.

Task 1. Project Management

Task 1 includes project management-related activities including general project coordination. In addition, to ensure continued achievement of consistently high quality work products, and in accordance with the WYA Quality Assurance/Quality Control (QA/QC) policy, a WYA staff member at the Principal Engineer level or higher will review progress and significant work products. Brief descriptions of services performed under this task will be included on monthly invoices.

Task 2. State Board Report Response and State Board Petition Support

This task includes the preparation of a detailed response to the State Board Report. As noted above, this effort has already been completed.

Additional efforts that will be necessary under this task are difficult to determine at this time, however, these efforts may include the following:

- Development of a response to the Petition for Permit Review was recently filed by the California Sports Fisheries Alliance. It is anticipated that this effort will primarily consist of combining previous submittals completed by WYA.

- Support in the event that the City is required to participate in an evidentiary hearing in front of the State Board.

The actual level of effort necessary and the ultimate deliverables are uncertain. Therefore, a nominal fee (in addition to the efforts already expended) has been assumed for this task. All work will be performed on a time and material basis. Monthly invoices will detail the efforts and costs. However, depending on the level of effort required, a scope and budget amendment may be necessary in the future.

Somach Simmons and Dunn will provide support services related to these efforts.

Deliverable: Report that provides the City's response to the State Board Report.

Tasks 3. SJVAPCD Biosolids Rule Compliance

This task includes the following efforts that have been completed to date:

- Several phone conversations with SJVAPCD staff regarding the rule requirements and incorporation of this information into Technical Memorandum No. 3: Land Application System Best Practicable Treatment and Control Assessment.
- Preparation for and participation in an initial meeting with SJVAPCD staff. The purpose of this meeting was to begin the necessary dialogue regarding the City's compliance strategies.

Additional efforts that will be necessary under this task are difficult to determine at this time, however, these efforts may include the following:

- Additional coordination with SJVAPCD staff regarding variance requirements
- Coordination with potential sub consultants regarding assessing the "baseline" VOC emissions at the City's site

The actual level of effort necessary and the ultimate deliverables are uncertain. Therefore, a nominal fee (in addition to the efforts already expended) has been assumed for this task. All work will be performed on a time and material basis. Monthly invoices will detail the efforts and costs. However, depending on the level of effort required, a scope and budget amendment may be necessary in the future.

Deliverable: Minutes from initial meeting with SJVAPCD staff.

Task 4. Regulatory Program Management

WYA anticipates that the City will continue to require ongoing assistance related to understanding general regulatory compliance issues and implementing the measures needed to achieve compliance. It is difficult to predict the level of effort needed for this task. Assistance under this task is anticipated to include the following items:

1. Working with City staff to understand the permit compliance requirements;
2. Presenting an overview of permit requirements and associated issues to City WPCF staff;
3. Maintaining and updating the attached implementation schedule for the compliance measures;
4. Developing of presentations for City staff, Council, and/or other consultants to the City outlining the regulatory compliance concerns;
5. Reviewing permits and other regulatory guidance documents issued by the Regional Board and SWRCB that would be applicable to the WPCF;
6. Providing assistance to the City, as needed, for developing responses to Regional Board requests;
7. Providing assistance in developing semi-annual permit compliance progress reports;
8. Coordinating efforts for groundwater analyses, land discharge organic loading study, and other related cannery discharge issues;
9. Helping the City to develop monitoring programs;
10. Completing analyses of data collected by the City to identify potential future regulatory concerns;
11. Providing support to the City and the PCP Cannery in completion of the Land Discharge Organic Loading Study;
12. Attending and preparing for meetings to discuss the results of such activities outlined above.

All of the specific work efforts and deliverables under this task cannot reasonably be determined at this time. However, all work will be performed on a time and material basis. For budgeting purposes, a nominal fee is assumed for this task. Monthly invoices will detail the efforts and costs. Depending on the level of effort required, a scope and budget amendment may be necessary in the future. These tasks may require support from our legal consultants (SSD), and a small budget has also been assumed for these efforts.

It will be critical that the City's regulatory compliance efforts are completed in coordination with Regional Board staff and other regulatory authorities. It is imperative that these agencies are in agreement with the study approach and the type and amount of information to be obtained from the study. Therefore, this task also involves the participation of WYA staff and our subconsultants, as needed, in meetings with the appropriate regulatory agency staff. As shown in the attached schedule, meetings are currently anticipated in early February (for the Land Discharge Organic Loading Study), and in early March (for the Groundwater Monitoring Well Installation Work Plan and the TRE Work Plan, Method of Compliance Work Plan and Pollution Prevention Plan, the Title 22 Work Plan, the Wintertime Irrigation Management Plan Work Plan, the Temperature Study Work Plan, and the Industrial Influent Characterization Study Work Plan). Other coordination meetings may also be required.

As the first step of this support program, WYA will develop a technical memorandum summarizing the permit requirements. This document will provide a complete summary of all actions, including documentation, monitoring, studies and/or upgrades that the City must undertake for compliance with the new permit. This summary will be a convenient reference for the City and will also include the time schedule for completion of each of the required tasks.

In addition, WYA will provide a brief document that outlines the number and frequency of tests, the laboratory standards, and the testing protocols for the priority pollutants analyses required under the NPDES permit. This document can be incorporated into a proposal request issued by the City to identify and select the best laboratory for characterizing the WPCF effluent.

Deliverable: A Technical Memorandum with the summary of permit compliance actions required from the City. A brief document outlining recommended laboratory procedures and testing frequencies. Up to five meetings with the City, the Regional Board, DFG and/or other regulatory authorities regarding the acceptability of the proposed Work Plans.

Task 5. Land Application Monitoring Coordination

The new NPDES permit requires that the City significantly increase the level of monitoring for the land application area site. In addition, the City must employ the efforts of a certified agronomist in the completion of an Annual Cropping and Irrigation Report. This task involves providing the following tasks related to these efforts:

- Update the spreadsheet management tool to include the new monitoring and reporting requirements
- Review the 2007 data and help develop the required 2007 Annual Cropping and Irrigation Report
- Coordination with Dr. Mitchell Johns for review and approval of the 2007 Annual Cropping and Irrigation Report
- Coordination with City staff and tenant farmers regarding collection of required monitoring data
- Development of monitoring data worksheets

Deliverables: An electronic version of the updated Spreadsheet Management Tool. The 2007 Annual Land Management Report with approval by Dr. Mitchell Johns. Monitoring data collection work sheets.

Task 6. Compliance Studies

The following compliance studies are required under the new NPDES permit:

- Corrective Action Plan/Method of Compliance Work Plan

- Pollution Prevention Plan
- Treatment Feasibility Study

This task includes the initial efforts that will need to be completed for these studies. Note that there are not any initial efforts needed for the Treatment Feasibility Study subtask. However, any efforts necessary in the future could be incorporated into this task.

Subtask 6.1. Corrective Action Plan/Method of Compliance Work Plan

The new NPDES permit requires that the City submit within one year of the effective date of the permit (or by November 3, 2008) a Corrective Action Plan and Implementation Schedule. The purpose of this submittal is to outline the City's proposed actions for achieving compliance with the new effluent limitations for aluminum, ammonia, chlorodibromomethane, and dichlorobromomethane.

The new TSO requires that the City submit within six months of the effective date of the order (or by May 2, 2008) a Method of Compliance Work Plan and Schedule. The purpose of this submittal is to outline the City's proposed actions for achieving compliance with the new effluent limitations for nitrate, nitrite, and manganese.

This subtask involves the completion of both of these efforts. Note that these two submittals will contain similar information. Therefore, to reduce the amount of resources needed to complete these efforts, the City should complete one document that satisfies both of the two requirements outlined above. As shown in the attached schedule, this document will be provided to the City such that it can be submitted no later than May 2, 2008.

Note that the City has already identified the actions that will be implemented to achieve compliance. These efforts, combined with the studies required under the permit, will be described in the Work Plan completed under this subtask. Following the Executive Office approval of this Work Plan, the City will need to submit annual reports (August 1) detailing the progress that has been made toward achieving compliance. Any support provided by WYA in completing these Annual Reports will be covered under the Regulatory Program Management Task (Task 4) described above.

Deliverable: Corrective Action Plan/Method of Compliance Work Plan and Schedule

Subtask 7.2. Pollution Prevention Plan

The new NPDES permit requires that the City submit within one year of the effective date of the permit (or by November 3, 2008) a Work Plan for the completion of a Pollution Prevention Plan (PPP). The purpose of the Work Plan is to describe the efforts that will be completed by the City to identify and reduce (if possible) the source loadings of mercury, aluminum, chlorodibromomethane, and dichlorobromomethane to the WPCF.

The new TSO requires that the City submit within six months of the effective date of the order (or by May 2, 2008) a PPP for manganese, nitrate, and nitrite.

This subtask involves the completion of both of these initial efforts. Note that these two submittals will contain similar information. Therefore, to reduce the amount of resources needed to complete these efforts, the City should complete one document that satisfies both of the two requirements outlined above. As shown in the attached schedule, this document will be provided to the City such that it can be submitted no later than May 2, 2008.

This subtask also involves a detailed review of the City's historic influent and water supply testing data to initially identify potential sources of these pollutants of concern.

Note that the NPDES permit provides the City with a two year timeline to complete the PPP from when the PPP Work Plan is approved by the Executive Officer. However, the TSO does not include a similar timeline (the PPP is essentially due my May 2, 2008). The City cannot be reasonably expected to complete an entire PPP analysis within this timeframe. Therefore, it is recommended that following some initial data collection and review, the City meet with the Regional Board staff to discuss the PPP approach required under both Orders to and to gain approval for applying the same two-year time schedule for both efforts. This meeting will be covered under the Regulatory Program Management Task (Task 4) described above.

Following the Executive Office approval of this Work Plan, the City will need to complete several actions to develop the PPP. The support required by the City to complete these activities cannot be reasonably identified at this time. Therefore, this task does not currently include any additional efforts needed for completion of the PPP.

Finally, the City will also need to submit annual reports (August 1) detailing the progress that has been made toward completion of the PPP. Any support provided by WYA in completing these Annual Reports will be covered under the Regulatory Program Management Task (Task 4) described above.

Deliverable: Pollution Prevention Plan Work Plan and Schedule

Task 7. Toxicity Reduction Evaluation (TRE)

The City's NPDES permit requires that the City submit a TRE Work Plan that will:

"...outline the procedures for identifying the source(s) of, and reducing or eliminating effluent toxicity. The TRE Work Plan must be developed in accordance with USEPA guidance and be of adequate detail to allow the Discharger to immediately initiate a TRE..."

As described in the permit:

"A TRE is a site-specific study conducted in a stepwise process to identify the source(s) of toxicity and the effective control measures for effluent toxicity. TREs are designed to identify the causative agents and sources of whole effluent toxicity, evaluate the effectiveness of the toxicity control options, and confirm the reduction in effluent toxicity."

The TRE Work Plan must be submitted to the Regional Board within 90 days of the effective date of the permit, or by February 1, 2008.

This task involves a detailed review of the City's historic chronic toxicity testing data to identify potential historic causes of toxicity and the development of a TRE Work Plan in accordance with the permit requirements described above.

Note that the City may be required to initiate a TRE if the monitoring triggers outlined in the permit are exceeded. The level of assistance needed by the City in developing the TRE cannot be outlined at this time. Therefore, this task does not currently include assistance with the TRE development.

Given their expertise, RBI would serve as the technical lead for this work. However, WYA will provide support and coordination in completing these efforts. Coordination meetings required over the next six to nine months in support of completing this task will be covered under the Regulatory Program Management Task (Task 4) described above.

Deliverable: Toxicity Reduction Evaluation (TRE) Work Plan

Task 8. Title 22 Report

The NPDES permit requires that the City submit a Title 22 Report Work Plan that describes the actions that will be taken by the City to complete a Title 22 Engineers Report for the current reclamation practices. The Title 22 Report Work Plan must be submitted to the Regional Board within six months of the effective date of the permit, or by May 2, 2008.

Note that the City currently is required to treat 100 percent of the reclaimed water to tertiary standards just to meet the Title 22 water quality requirements for the Northern California Power Authority (NCPA) power plant cooling water (even though only a portion of the water is directed to this site). Based on discussions with City staff, the Title 22 Report will be developed based on the assumption that this practice will continue.

Following the Executive Office approval of this Work Plan, the City will need to complete several actions over a two-year period to develop the Title 22 Report (including Title 22 verification of the UV disinfection facilities). The support required by the City to complete these activities cannot be reasonably identified at this time. Therefore, this task does not currently include any additional efforts needed for completion of the Title 22 Report.

Deliverable: Title 22 Report Work Plan

Task 9. Wintertime Irrigation Management Plan

The NPDES permit requires that the City submit a Wintertime Irrigation Management Plan Work Plan that describes the actions that will be taken by the City to identify the appropriate measures needed to minimize water quality impacts during flooding events that would cause washout of wastewater or biosolids from the land application area. The Wintertime Irrigation Management Plan Work Plan must be submitted to the Regional Board within six months of the effective date of the permit, or by May 2, 2008.

The permit requires that the Work Plan be approved by the Executive Officer. Therefore, at least one coordination meeting with Regional board staff is anticipated. WYA participation in coordination meetings required over the next six to nine months in support of completing this task will be covered under the Regulatory Program Management Task (Task 4) described above.

Following the Executive Office approval of this Work Plan, the City will need to complete several actions over a six-month period to develop the Wintertime Irrigation Management Plan. The support required by the City to complete these activities cannot be reasonably identified at this time. Therefore, this task does not currently include any additional efforts needed for completion of the Wintertime Irrigation Management Plan.

Deliverable: Wintertime Irrigation Management Plan Work Plan

Task 10. Temperature Study

The NPDES permit requires that the City submit a Temperature Study Work Plan that describes a proposed investigation of the City's receiving waters to define what future objectives should be applied to the receiving water with respect to temperature. Temperature Study Work Plan must be submitted within six months of the effective date of the permit, or by May 2, 2008.

This task involves both a detailed review of the City's historic effluent and receiving water temperature data to identify potential issues associated with historic elevated discharge temperatures, and the development of a Temperature Study Work Plan. In addition, a brief Technical Memorandum outlining recommended chronic toxicity sampling procedures will be provided.

Given their expertise in this area, RBI would serve as the technical lead for this work. WYA will provide support and coordination efforts during the completion of this study.

The Work Plan will require approval by the Regional Board and Department of Fish and Game (DFG). Therefore, at least one coordination meeting with Regional board staff is anticipated. WYA and RBI participation in coordination meetings required with these agencies over the next six to nine months in support of completing this task will be covered under the Regulatory Program Management Task (Task 4) described above.

Following the Executive Office approval of this Work Plan, the City will need to complete several actions over a two-year period to develop the Temperature Study. The support required by the City to complete the Temperature Study activities cannot be reasonably identified at this time. Therefore, this task does not currently include any additional efforts needed for completion of the Temperature Study.

Deliverable: Temperature Study Work Plan. Technical Memorandum outlining recommended chronic toxicity sampling procedures.

Task 11. Industrial Influent Characterization Study

The NPDES permit requires that the City submit an Industrial Influent Characterization Study Work Plan that describes the actions that will be completed to characterize the wastewater

influent collected by its industrial line. The Industrial Influent Characterization Study Work Plan must be submitted within six months of the effective date of the permit, or by May 2, 2008.

The permit requires that the Work Plan be approved by the Executive Officer. Therefore, at least one coordination meeting with Regional board staff is anticipated. WYA participation in coordination meetings required over the next six to nine months in support of completing this task will be covered under the Regulatory Program Management Task (Task 4) described above.

Following the Executive Office approval of this Work Plan, the City will need to complete several actions over a two-year period to develop the Industrial Influent Characterization Study. The support required by the City to complete these activities cannot be reasonably identified at this time. Therefore, this task does not currently include any additional efforts needed for completion of the Industrial Influent Characterization Study.

Deliverable: Industrial Influent Characterization Study Work Plan

Task 12. Land Discharge Organic Loading Study

The NPDES permit requires that the City submit a Land Discharge Organic Loading Study Work Plan that describes the actions that will be completed to evaluate the appropriate maximum daily BOD loading limitations to ensure nuisance conditions will not occur. The City also has the option of including in this work plan a study to evaluate the site-specific cycle average BOD loading limit that prevents 1) odorous anaerobic conditions, 2) incomplete removal of organics in the soil profile, 3) mobilization of iron, manganese, and other compounds, or 4) increases in bicarbonate in the soil solution via carbon dioxide conditions.

The Land Discharge Organic Study Work Plan must be submitted within six months of the effective date of the permit, or by May 2, 2008.

WYA will complete this effort in coordination with our subconsultant, Dr. Mitchell Johns. Based on initial discussions with City staff, the preferred testing procedures will include both the use of soil columns for determining the appropriate cycle average loading limitations and a field study to evaluate the potential for nuisance conditions and to verify the soil column results. However, the use of a soil column approach will be dependent upon the prior-approval by the Regional Board. Therefore, the experimental work plan will also include a literature review that will support the proposed soil column approach and methods. All technical, statistical, and experimental components to be employed will be included in work plan.

The permit requires that the Work Plan be approved by the Executive Officer. Therefore, at least one coordination meeting with Regional Board staff is anticipated. In addition, coordination meetings with PCP Cannery staff will be necessary. WYA participation in these coordination meetings required over the next six to nine months in support of completing this task will be covered under the Regulatory Program Management Task (Task 4) described above.

Following the Executive Office approval of this Work Plan, the City will need to complete several actions over a two-year period to develop the study. The support required by the City to complete these activities cannot be reasonably identified at this time. Therefore, this task does not

Mr. Richard C. Prima Jr.

November 16, 2007

Page 12

currently include any additional efforts needed for completion of the Wintertime Irrigation Management Plan.

Deliverable: Land Discharge Organic Loading Study Work Plan

PROJECT BUDGET

The total fee for the scope of work described above is estimated to be \$288,200. A summary of the project costs by task is shown in Table 1, and a detailed breakdown is attached. WYA will perform all work on an hourly basis at standard company charge rates, and will not exceed the estimated cost without written authorization. If additional budget is required to complete work identified herein, WYA will request City authorization prior to exceeding the budget.

Table 1. Fee Estimate for Proposed Scope of Services

Task	Total Budget, dollars	WYA Budget, dollars	Technical Subconsultant Budget (RBI), dollars	Legal Support Budget (SSD), dollars	Mitchell Johns, dollars
Task 1. Project Management	16,300	14,100	2,200	—	—
Task 2. State Board Support	54,200	33,300	—	20,900	—
Task 3. SJVAPCD Biosolids Rule Compliance	14,500	14,500	—	—	—
Task 4. Regulatory Program Management	73,500	61,000	5,500	5,500	1,500
Task 5. Land Application Monitoring Coordination	43,500	38,000	—	—	5,500
Task 6: Compliance Studies	14,700	14,700	—	—	—
Task 7: Toxicity Reduction Evaluation	19,500	2,400	17,100	—	—
Task 8: Title 22 Report	5,600	5,600	—	—	—
Task 9: Wintertime Irrigation Management Plan	5,600	5,600	—	—	—
Task 10: Temperature Study	19,000	2,500	16,500	—	—
Task 11: Industrial Influent Characterization Study	9,000	9,000	—	—	—
Task 12: Land Discharge Organic Loading Study	12,800	6,200	—	—	6,600
Total	288,200	206,900	41,300	26,400	13,600

SCHEDULE

Work will begin upon notice to proceed from City, and will be completed within six to nine months of permit adoption, in accordance with the timelines included therein. A detailed schedule showing all of the permit compliance activities is attached. WYA and our sub-consultants will provide additional services related to the studies needed under the renewed permit, subject to mutually agreeable adjustments to the scope, authorized budget, and schedule.

Mr. Richard C. Prima Jr.

November 16, 2007

Page 14

WYA appreciates the opportunity to provide additional permitting services to the City. Please contact me if you have any questions or need additional information.

Sincerely,

WEST YOST ASSOCIATES

A handwritten signature in cursive script, appearing to read "Kathryn Gies".

Kathryn Gies
Senior Engineer

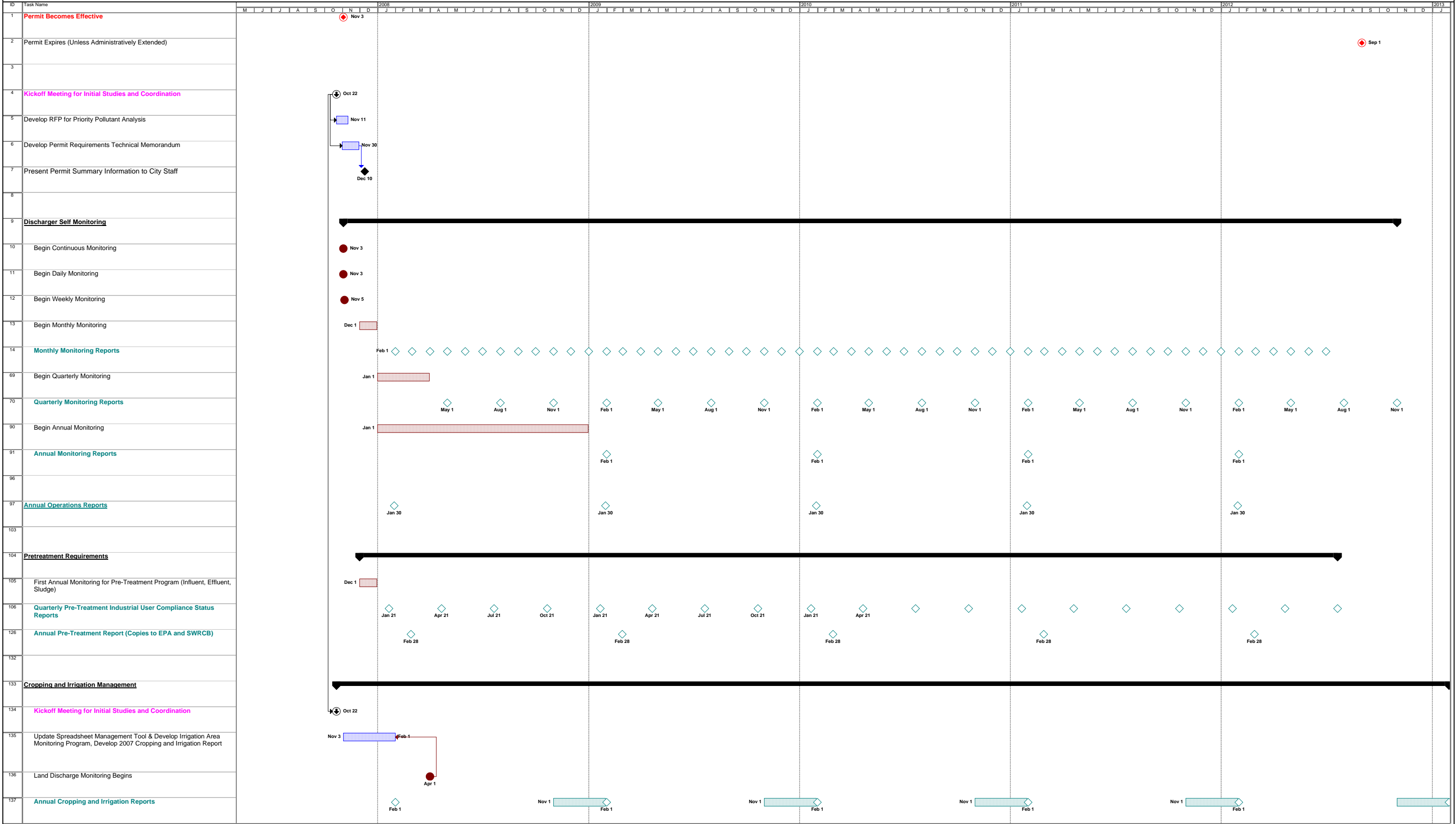
cc: Charles Swimley, City of Lodi
Del Kerlin, City of Lodi

Estimated Staff Hours and Budget West Yost Associates						Labor		Drafting		Modeling		Costs				Sub. 1	Sub. 2	Sub. 3
	P/V/P \$189 BGW/JDP	SE/SS \$147 KEG	PE/PS \$163 KLL	ADMIV \$84	AE/AS \$131 MAC	Hours	Fee	Hours	Fee 25	Hours	Fee 25	Routine ODC 5%	Sub. w/ markup 10%	Other Direct	Total Costs	SSD	RBI	Mit J
PROJECT: Regulatory Assistance - Preliminary Draft																		
Task 1.0 Project Management																		
1.01 General	40	40				80	\$ 13,440					\$ 672	\$ 2,200		\$ 16,312		\$ 2,000	
Subtotal, Task 1 (hours)	40	40	0	0	0	80		0		0								
Subtotal, Task 1 (\$)	\$ 7,560	\$ 5,880	\$ -	\$ -	\$ -		\$ 13,440		\$ -		\$ -	\$ 672	\$ 2,200	\$ -	\$ 16,312	\$ -	\$ 2,000	\$ -
Task 2.0 State Board Assistance																		
2.01 State Board Report Response		40	8	8		56	\$ 7,856	0	\$ -	0	\$ -	\$ 393	\$ 4,400		\$ 12,649	\$ 4,000		
2.02 Petition Response	8	40	16	8		72	\$ 10,672					\$ 534	\$ 11,000		\$ 22,206	\$ 10,000		
2.03 State Board Hearing Support	16	60		16		92	\$ 13,188					\$ 659	\$ 5,500		\$ 19,347	\$ 5,000		
Subtotal, Task 2 (hours)	24	140	24	32	0	220		0		0								
Subtotal, Task 2 (\$)	\$ 4,536	\$ 20,580	\$ 3,912	\$ 2,688	\$ -		\$ 31,716		\$ -		\$ -	\$ 1,586	\$ 20,900	\$ -	\$ 54,202	\$ 19,000	\$ -	\$ -
Task 3.0 SJVAPCD Coordination																		
3.01 Meetings		16				16	\$ 2,352					\$ 118	\$ -		\$ 2,470			
3.02 Incorporate Findings Into TM #3		4		24		28	\$ 2,604					\$ 130	\$ -		\$ 2,734			
3.03 Ongoing Coordination		60				60	\$ 8,820					\$ 441	\$ -		\$ 9,261			
Subtotal, Task 3 (hours)	0	80	0	24	0	104		0		0								
Subtotal, Task 3 (\$)	\$ -	\$ 11,760	\$ -	\$ 2,016	\$ -		\$ 13,776		\$ -		\$ -	\$ 689	\$ -	\$ -	\$ 14,465	\$ -	\$ -	\$ -
Task 4.0 Regulatory Program Management																		
4.01 General Support		160		20	80	260	\$ 35,680					\$ 1,784	\$ 5,885		\$ 43,349	\$ 4,000		\$ 1,350
4.02 Permit Summary Report		20		12	40	72	\$ 9,188					\$ 459	\$ -		\$ 9,647			
4.03 Presentation for City Staff		24				24	\$ 3,528					\$ 176	\$ -		\$ 3,704			
4.04 Laboratory Requirements Summary		24		4		28	\$ 3,864					\$ 193	\$ -		\$ 4,057			
4.05 Meetings (5)		40				40	\$ 5,880					\$ 294	\$ 6,600		\$ 12,774	\$ 1,000	\$ 5,000	
Subtotal, Task 4 (hours)	0	268	0	36	120	424		0		0								
Subtotal, Task 4 (\$)	\$ -	\$ 39,396	\$ -	\$ 3,024	\$ 15,720		\$ 58,140		\$ -		\$ -	\$ 2,907	\$ 12,485	\$ -	\$ 73,532	\$ 5,000	\$ 5,000	\$ 1,350
Task 5.0 Land Application Area Monitoring and Coordination																		
5.01 Spreadsheet Tool Update		40			120	160	\$ 21,600					\$ 1,080	\$ -		\$ 22,680			
5.02 Annual Reports		12		8	24	44	\$ 5,580					\$ 279	\$ 5,500		\$ 11,359			\$ 5,000
5.03 Data Collection Support		40			24	64	\$ 9,024					\$ 451	\$ -		\$ 9,475			
Subtotal, Task 5 (hours)	0	92	0	8	168	268		0		0								
Subtotal, Task 5 (\$)	\$ -	\$ 13,524	\$ -	\$ 672	\$ 22,008		\$ 36,204		\$ -		\$ -	\$ 1,810	\$ 5,500	\$ -	\$ 43,514	\$ -	\$ -	\$ 5,000

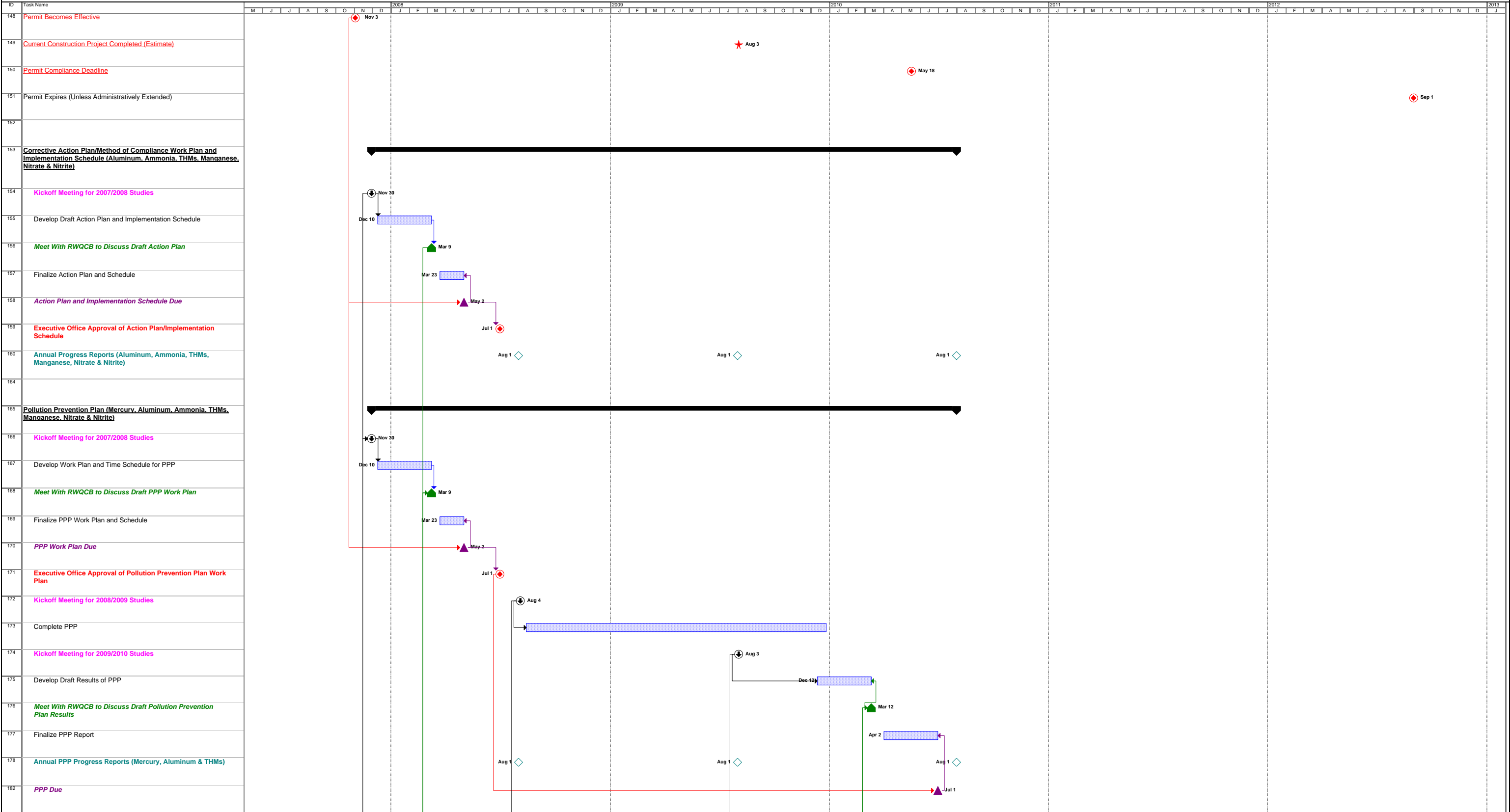
Estimated Staff Hours and Budget West Yost Associates		P/V/P \$189 BGW/JDP	SE/SS \$147 KEG	PE/PS \$163 KLL	ADMIV \$84	AE/AS \$131 MAC	Labor		Drafting		Modeling		Costs				Sub. 1 SSD	Sub. 2 RBI	Sub. 3 Mit J
PROJECT: Regulatory Assistance - Preliminary Draft							Hours	Fee	Hours	Fee 25	Hours	Fee 25	Routine ODC 5%	Sub. w/ markup 10%	Other Direct	Total Costs			
Task 6.0 Regulatory Compliance Studies																			
6.01 Method of Compliance Work Plan/Schedule			40		8		48	\$ 6,552					\$ 328	\$ -		\$ 6,880			
6.02 Data Review			16				16	\$ 2,352					\$ 118	\$ -		\$ 2,470			
6.03 Pollution Prevention Plan Work Plan			12		40		52	\$ 5,124					\$ 256	\$ -		\$ 5,380			
Subtotal, Task 6 (hours)		0	68	0	48	0	116		0		0								
Subtotal, Task 6 (\$)		\$ -	\$ 9,996	\$ -	\$ 4,032	\$ -		\$ 14,028		\$ -		\$ -	\$ 701	\$ -	\$ -	\$ 14,729	\$ -	\$ -	\$ -
Task 7.0 Toxicity Reduction Evaluation																			
7.01 Work Plan and Data Review			16				16	\$ 2,352					\$ 118	\$ 17,050		\$ 19,520		\$ 15,500	
Subtotal, Task 7 (hours)		0	16	0	0	0	16		0		0								
Subtotal, Task 7 (\$)		\$ -	\$ 2,352	\$ -	\$ -	\$ -		\$ 2,352		\$ -		\$ -	\$ 118	\$ 17,050	\$ -	\$ 19,520	\$ -	\$ 15,500	\$ -
Task 8.0 Title 22 Engineering Report																			
8.01 Work Plan			12		4	24	40	\$ 5,244					\$ 262	\$ -		\$ 5,506			
Subtotal, Task 8 (hours)		0	12	0	4	24	40		0		0								
Subtotal, Task 8 (\$)		\$ -	\$ 1,764	\$ -	\$ 336	\$ 3,144		\$ 5,244		\$ -		\$ -	\$ 262	\$ -	\$ -	\$ 5,506	\$ -	\$ -	\$ -
Task 9.0 Wintertime Irrigation Management Plan																			
9.01 Work Plan			12		4	24	40	\$ 5,244					\$ 262	\$ -		\$ 5,506			
Subtotal, Task 9 (hours)		0	12	0	4	24	40		0		0								
Subtotal, Task 9 (\$)		\$ -	\$ 1,764	\$ -	\$ 336	\$ 3,144		\$ 5,244		\$ -		\$ -	\$ 262	\$ -	\$ -	\$ 5,506	\$ -	\$ -	\$ -
Task 10.0 Temperature Study																			
10.01 Work Plan			16				16	\$ 2,352					\$ 118	\$ 16,500		\$ 18,970		\$ 15,000	
Subtotal, Task 10 (hours)		0	16	0	0	0	16		0		0								
Subtotal, Task 10 (\$)		\$ -	\$ 2,352	\$ -	\$ -	\$ -		\$ 2,352		\$ -		\$ -	\$ 118	\$ 16,500	\$ -	\$ 18,970	\$ -	\$ 15,000	\$ -

Estimated Staff Hours and Budget West Yost Associates							Labor	Drafting		Modeling		Costs				Sub. 1	Sub. 2	Sub. 3	
	P/VP	SE/SS	PE/PS	ADMIV	AE/AS	Hours	Fee	Hours	Fee	Hours	Fee	Routine	Sub.	Other	Total	SSD	RBI	Mit J	
	\$189 BGW/JDP	\$147 KEG	\$163 KLL	\$84	\$131 MAC				\$ 25		\$ 25	ODC 5%	w/ markup 10%	Direct	Costs				
PROJECT: Regulatory Assistance - Preliminary Draft																			
Task 11.0 Industrial Influent Characterization Study																			
11.01 Work Plan		16		12	40	68	\$ 8,600					\$ 430	\$ -		\$ 9,030				
Subtotal, Task 11 (hours)	0	16	0	12	40	68		0		0									
Subtotal, Task 11 (\$)	\$ -	\$ 2,352	\$ -	\$ 1,008	\$ 5,240		\$ 8,600		\$ -		\$ -	\$ 430	\$ -	\$ -	\$ 9,030	\$ -	\$ -	\$ -	
Task 12.0 BOD Organic Loading Study																			
12.01		40				40	\$ 5,880					\$ 294	\$ 6,600		\$ 12,774			\$ 6,000	
Subtotal, Task 12 (hours)	0	40	0	0	0	40		0		0									
Subtotal, Task 12 (\$)	\$ -	\$ 5,880	\$ -	\$ -	\$ -		\$ 5,880		\$ -		\$ -	\$ 294	\$ 6,600	\$ -	\$ 12,774	\$ -	\$ -	\$ 6,000	
TOTAL (hours)	64	800	24	168	376	1432		0		0									
TOTAL (\$)	\$12,096	\$117,600	\$3,912	\$14,112	\$49,256		\$ 196,976		\$ -		\$ -	\$ 9,849	\$ 81,235	\$ -	\$ 288,060	\$ 24,000	\$ 37,500	\$ 12,350	

City of Lodi
Water Pollution Control Facility
NPDES Permit Compliance Master Schedule

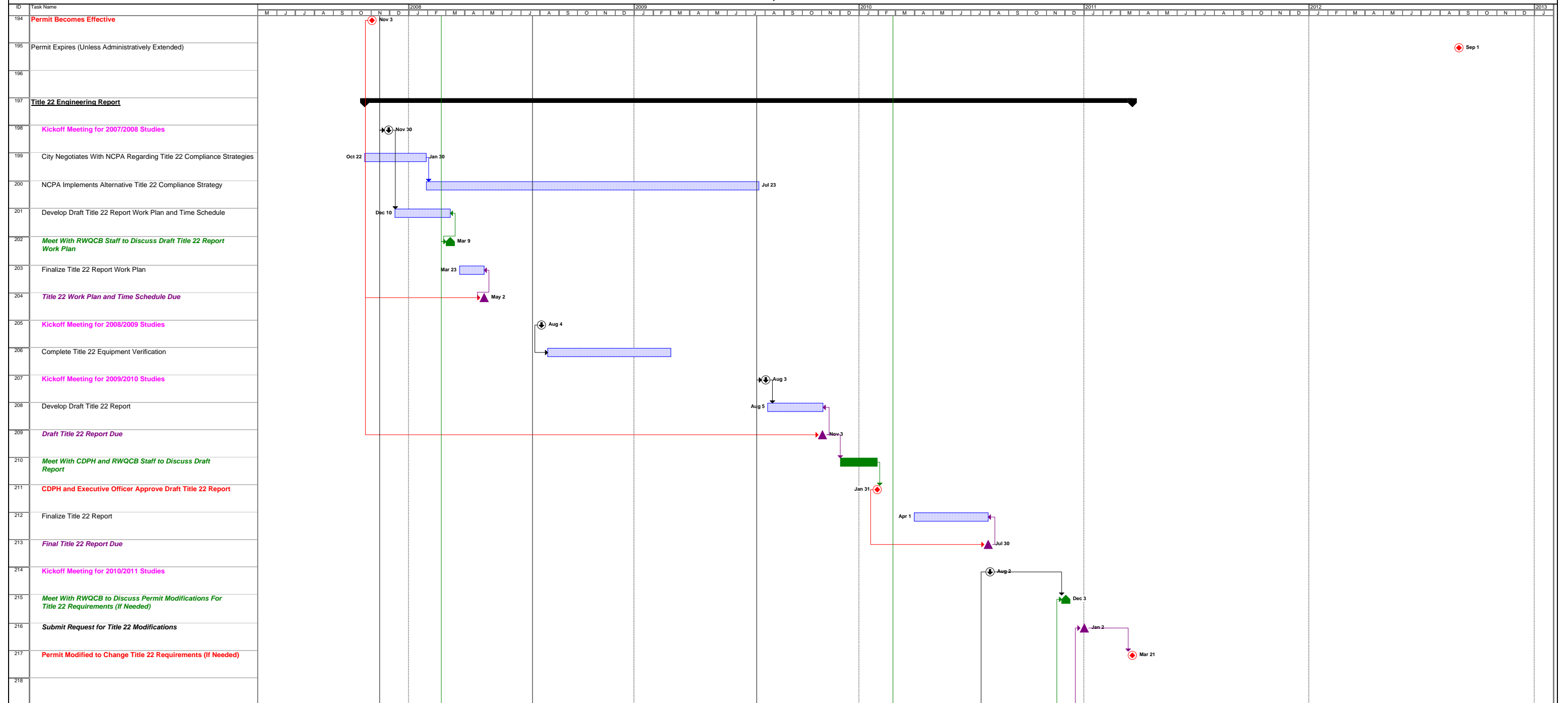


City of Lodi
Water Pollution Control Facility
NPDES Permit Compliance Master Schedule

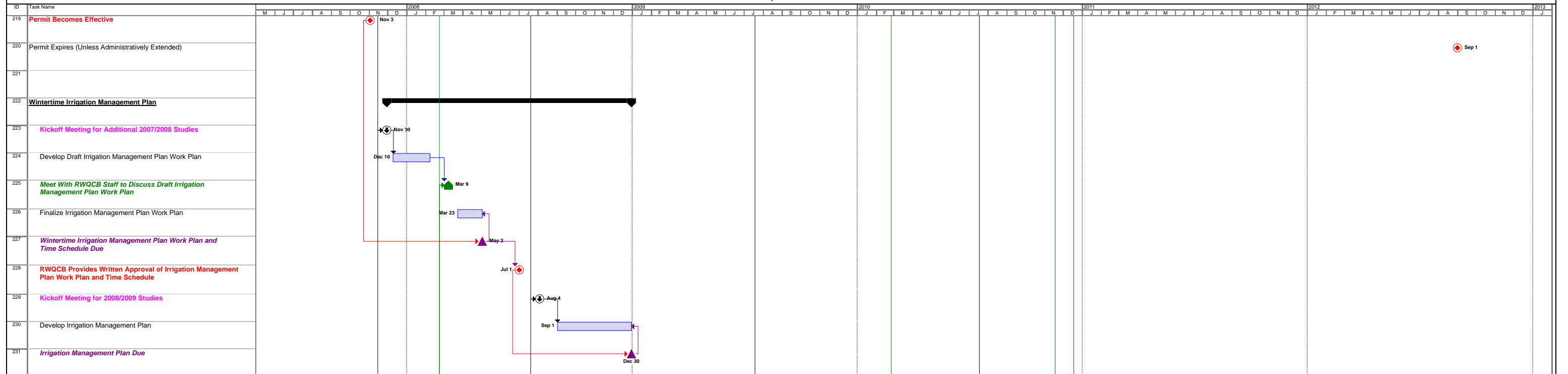


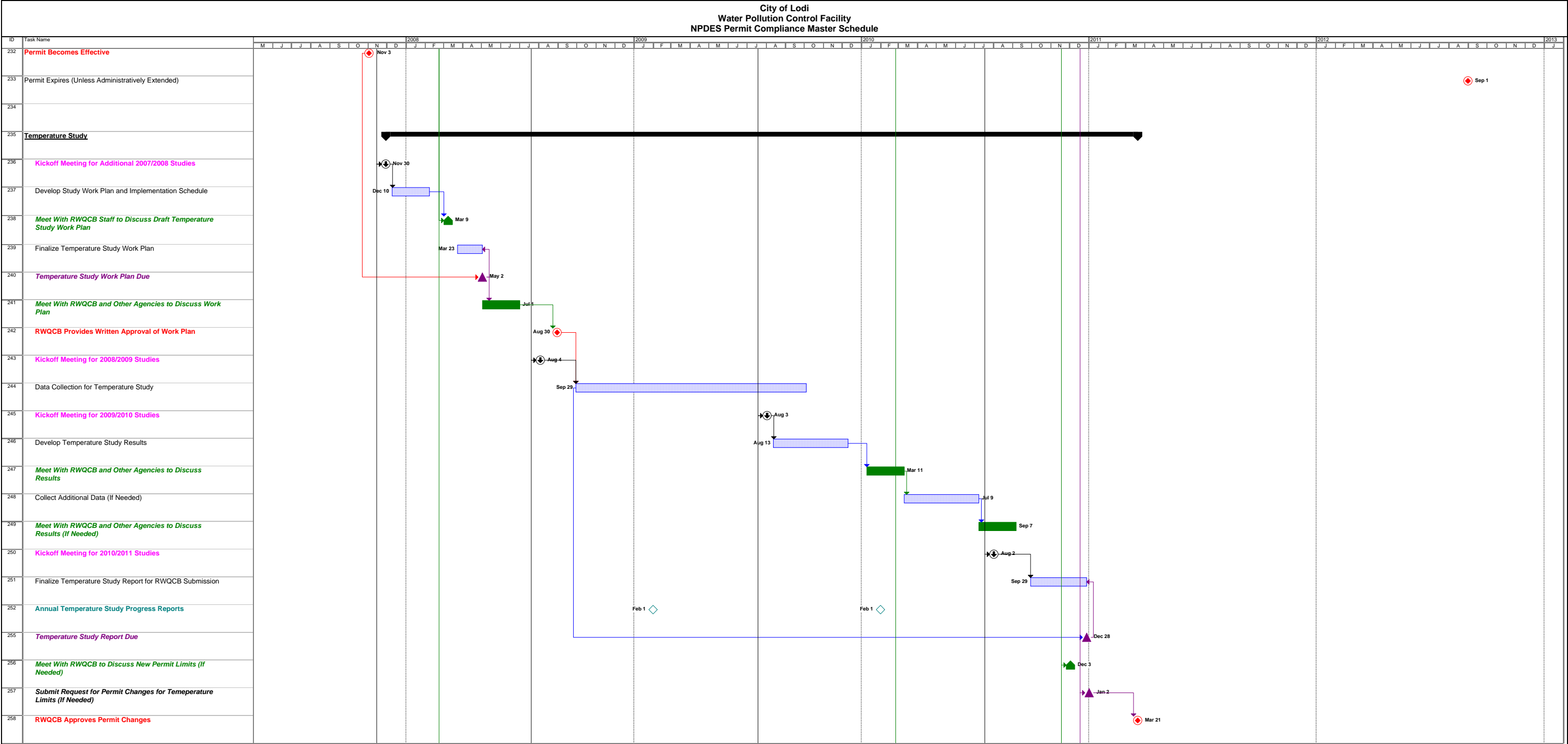
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**Water Pollution Control Facility
NPDES Permit Compliance Master Schedule**



City of Lodi
Water Pollution Control Facility
NPDES Permit Compliance Master Schedule





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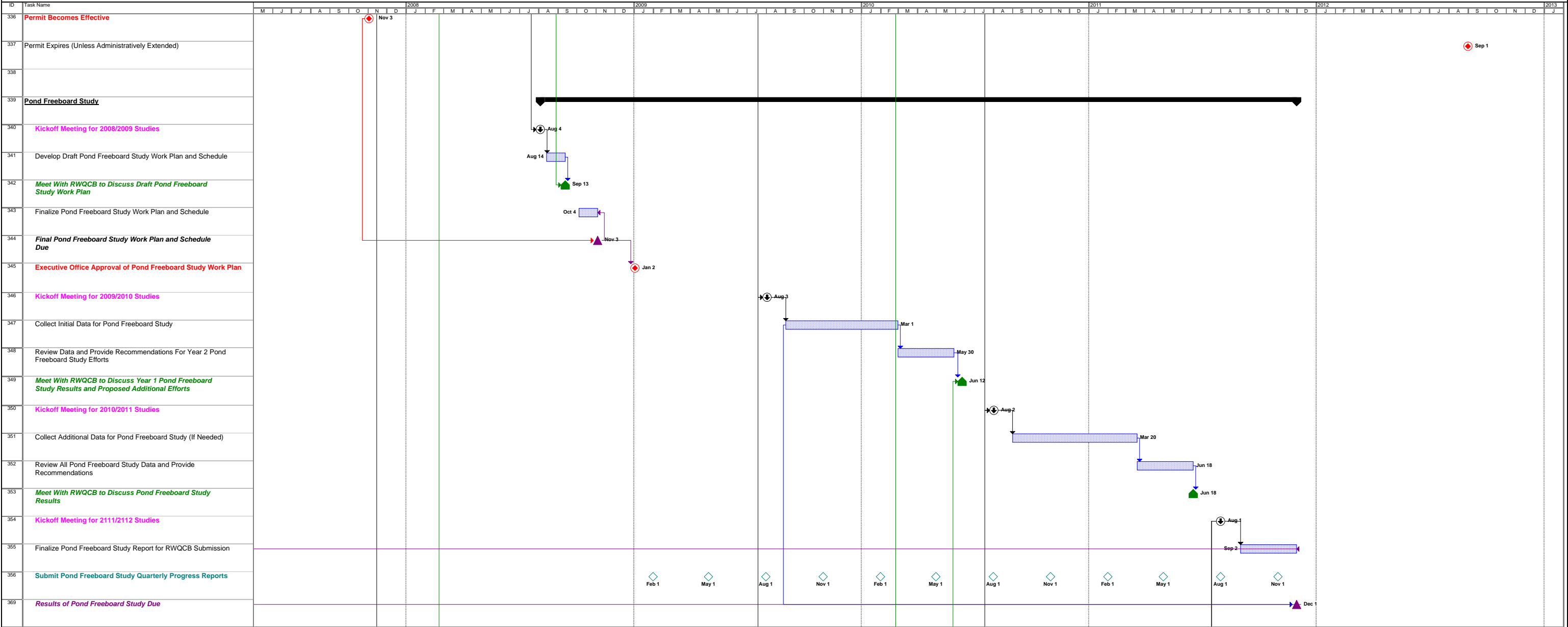
City of Lodi
Water Pollution Control Facility
NPDES Permit Compliance Master Schedule

This Gantt chart illustrates the NPDES Permit Compliance Master Schedule for the City of Lodi, spanning from 2008 to 2013. The chart is organized into a table with 10 rows (ID 290 to 318) and a timeline with monthly intervals. Key tasks and their durations are as follows:

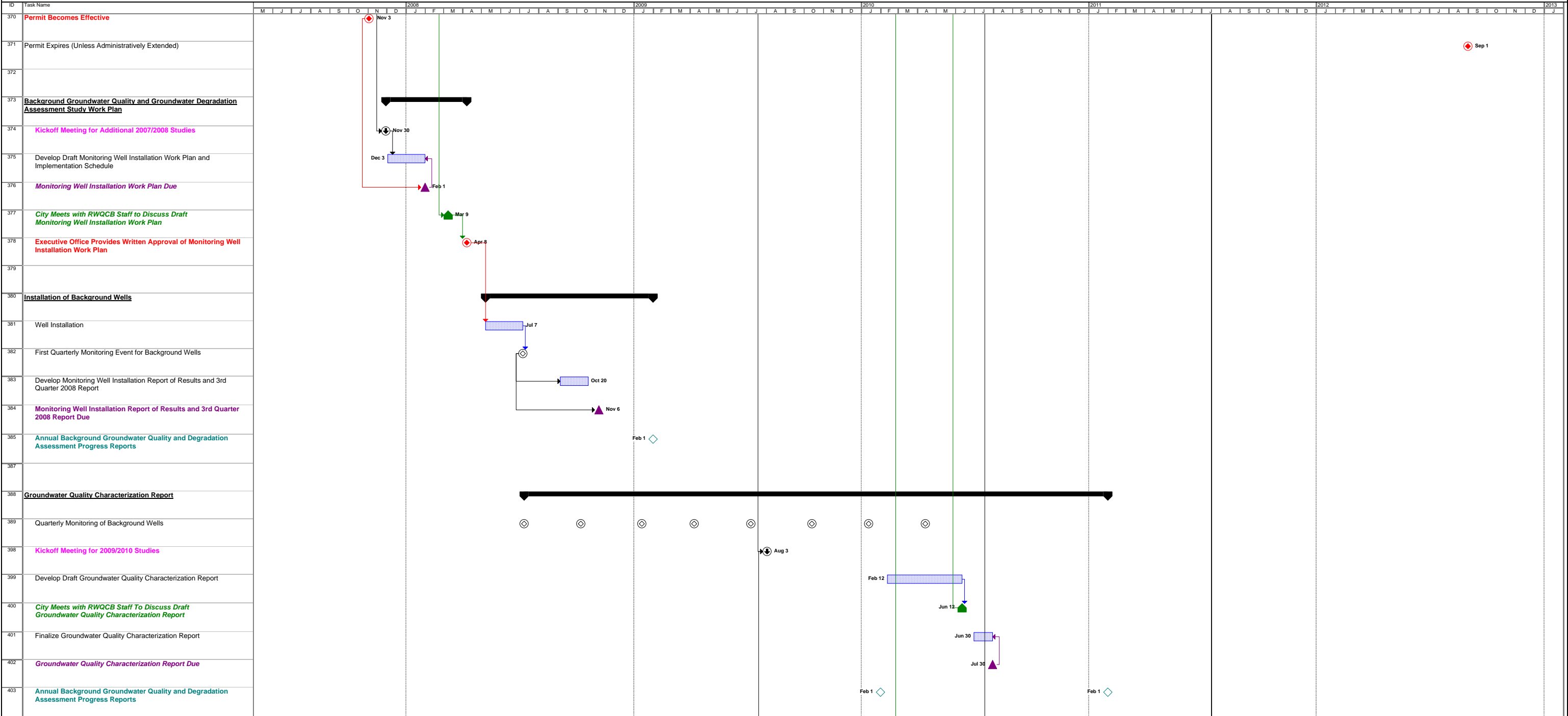
- 290 Permit Becomes Effective:** A red diamond marker at the start of the timeline (Nov 3, 2008).
- 291 Current Construction Project Completed (Estimate):** A red star marker at the end of the timeline (Aug 3, 2010).
- 292 Permit Expires (Unless Administratively Extended):** A red diamond marker at the end of the timeline (Sep 1, 2012).
- 294 Treatment Feasibility Study (Aluminum, Ammonia, THMs):** A thick black horizontal bar spanning from Aug 4, 2008, to Aug 2, 2010.
- 295 Kickoff Meeting for 2008/2009 Studies:** A pink diamond marker at the start of the timeline (Aug 4, 2008).
- 296 Develop Draft Treatment Feasibility Study Work Plan:** A blue rectangular task bar from Aug 14, 2008, to Sep 13, 2008.
- 297 Meet With RWQCB to Discuss Draft Treatment Feasibility Study Work Plan:** A green diamond marker at the end of the timeline (Oct 4, 2008).
- 298 Finalize Treatment Feasibility Study Work Plan:** A purple rectangular task bar from Oct 4, 2008, to Nov 3, 2008.
- 299 Treatment Feasibility Study Work Plan Due:** A red diamond marker at the end of the timeline (Jan 2, 2009).
- 300 Executive Office Approval of Treatment Feasibility Study Work Plan:** A red diamond marker at the end of the timeline (Jan 2, 2009).
- 301 Kickoff Meeting for 2009/2010 Studies:** A pink diamond marker at the start of the timeline (Aug 3, 2009).
- 302 Complete Data Collection for Treatment Feasibility Study:** A blue rectangular task bar from Oct 4, 2009, to Aug 2, 2010.
- 303 Kickoff Meeting for 2010/2011 Studies:** A pink diamond marker at the start of the timeline (Aug 5, 2010).
- 304 Develop Draft Treatment Feasibility Study Report:** A blue rectangular task bar from Aug 5, 2010, to Dec 3, 2010.
- 305 Meet With RWQCB to Discuss Draft Treatment Feasibility Study Report:** A green diamond marker at the end of the timeline (Dec 3, 2010).
- 306 Annual TFS Progress Reports (Mercury, Ammonia, Aluminum & THMs):** A teal diamond marker at the end of the timeline (Aug 1, 2011).
- 309 TFS Due to Regional Board:** A red diamond marker at the end of the timeline (Jan 2, 2012).
- 311 Request for Flow Increase:** A thick black horizontal bar spanning from Aug 3, 2009, to Aug 2, 2011.
- 312 Kickoff Meeting for 2009/2010 Studies:** A pink diamond marker at the start of the timeline (Aug 3, 2009).
- 313 Meet With RWQCB to Discuss Approach To Compliance Demonstration:** A green diamond marker at the end of the timeline (Sep 22, 2009).
- 314 Collect Data To Support Request for Flow Increase:** A blue rectangular task bar from Oct 4, 2009, to Aug 2, 2011.
- 315 Kickoff Meeting for 2010/2011 Studies:** A pink diamond marker at the start of the timeline (Aug 2, 2011).
- 316 Meet With RWQCB to Discuss Permit Changes:** A green diamond marker at the end of the timeline (Dec 3, 2011).
- 317 Submit Request for Flow Increase:** A purple rectangular task bar from Jan 2, 2012, to Mar 21, 2012.
- 318 RWQCB Approves Permit Changes:** A red diamond marker at the end of the timeline (Mar 21, 2012).

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City of Lodi
Water Pollution Control Facility
NPDES Permit Compliance Master Schedule

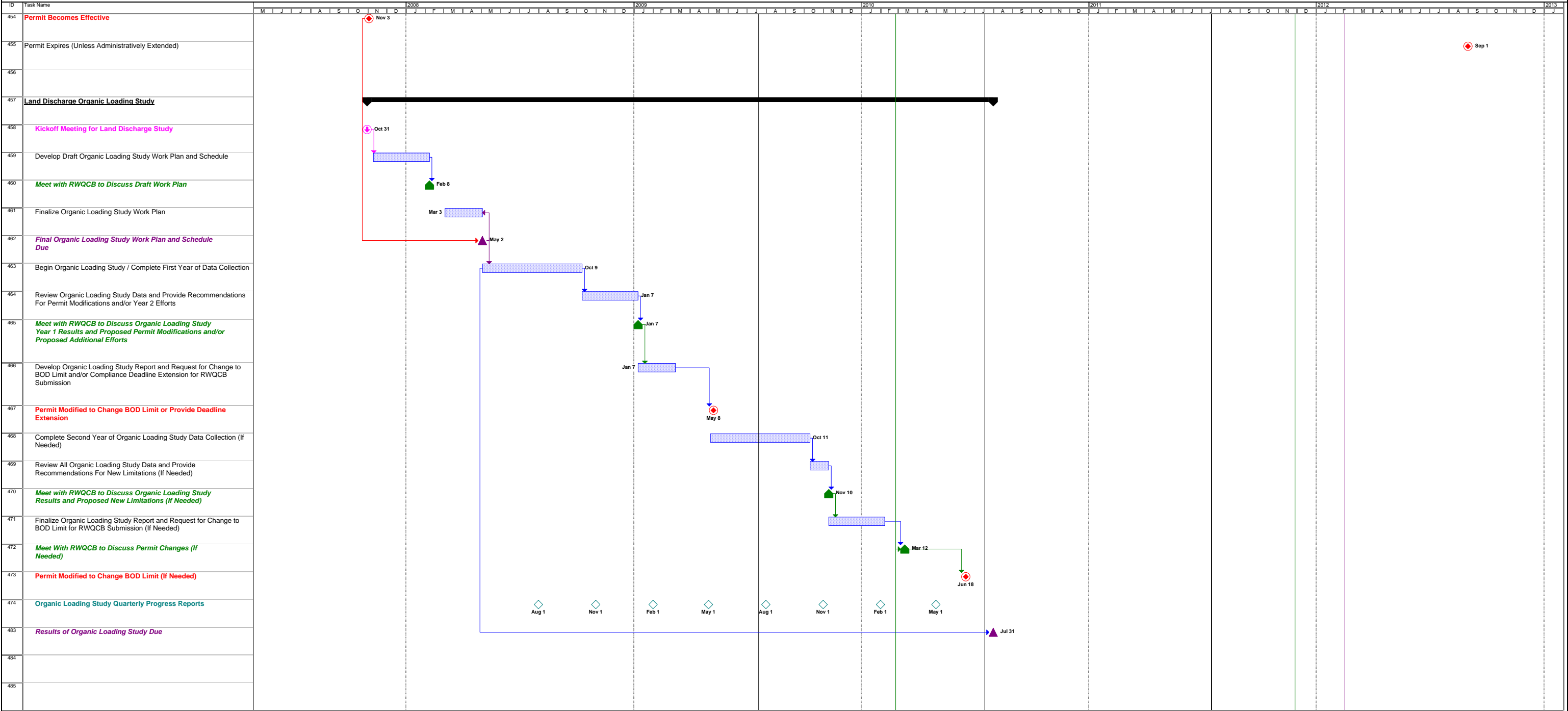


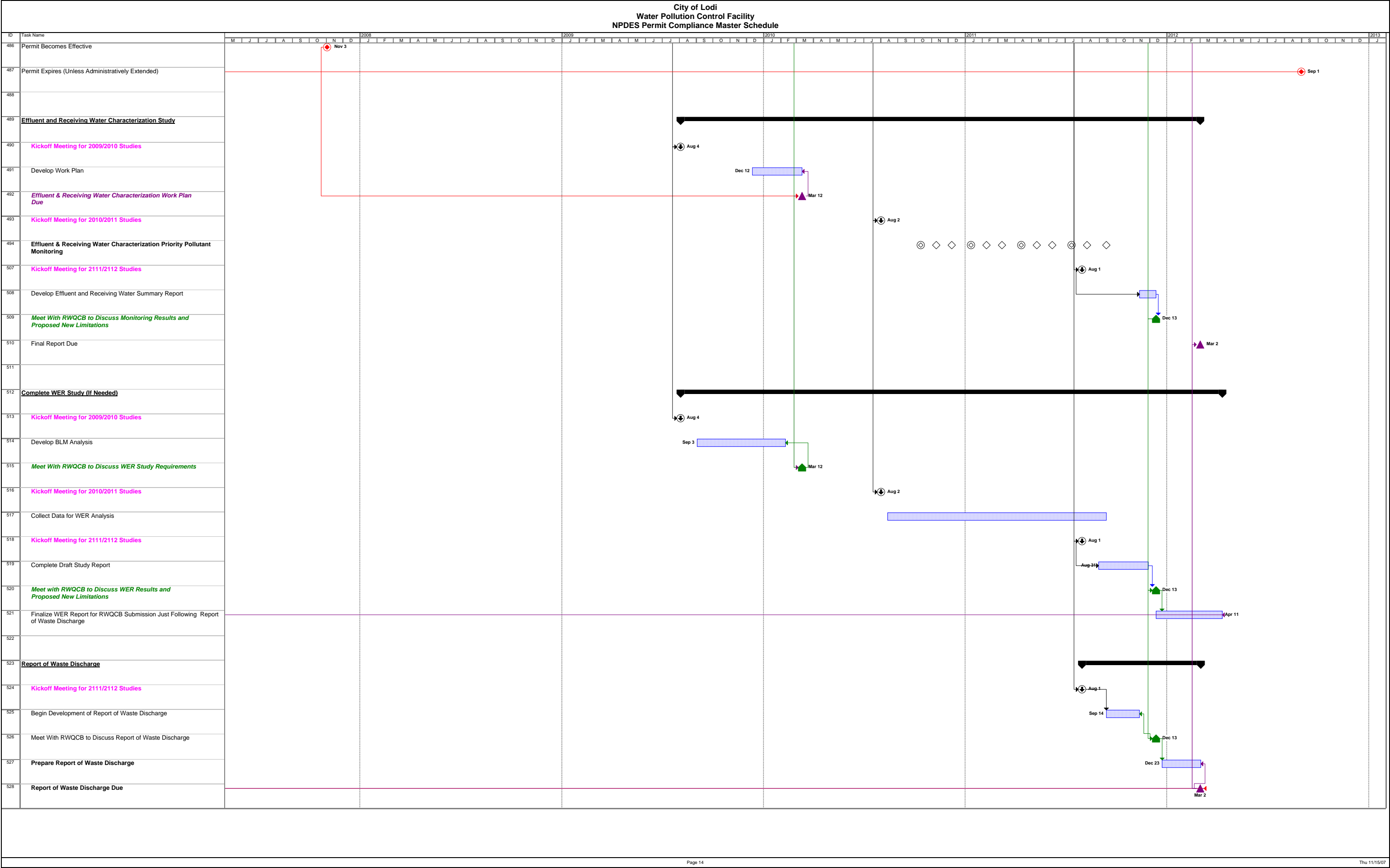
City of Lodi
Water Pollution Control Facility
NPDES Permit Compliance Master Schedule



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City of Lodi
Water Pollution Control Facility
NPDES Permit Compliance Master Schedule





RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
ADDITIONAL TASK ORDERS FOR WEST YOST &
ASSOCIATES TO PREPARE WORK PLANS AND PROVIDE
ONGOING PERMIT ASSISTANCE, AND FURTHER
APPROPRIATING FUNDS FOR THIS WORK

=====

WHEREAS, the City's new wastewater discharge permit issued by the Central Valley Regional Water Quality Control Board includes requirements for a number of studies to be conducted and plans or reports to be developed on various aspects of the City's wastewater treatment operations.; and

WHEREAS, these studies begin with preparation of a work plan which describes, in some detail, the work to be done, sampling methods and frequencies, reports to be issued and a schedule. In addition, the City's permit issued by the Central Valley Regional Water Quality Control Board, has been appealed to the State Water Resources Control Board by the California Sportfishing Protection Alliance (CSPA); and

WHEREAS, West Yost & Associates has furnished the City with a combined proposal to address these issues and staff recommends that we continue to utilize their services for this work as they are very familiar with the City's permit and our operations and have performed well for us in the past.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes additional task orders for West Yost & Associates to prepare work plans required by the City's wastewater discharge permit and for ongoing permit assistance; and

BE IT FURTHER RESOLVED that funds in the amount of \$317,000.00 be appropriated in the Wastewater Fund for this work.

Dated: December 19, 2007

=====

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Authorize Additional Task Orders with Treadwell & Rollo for Technical Work Anticipated in 2008 for Alternatives Analysis and Implementation of the Cleanup and Abatement Order for the Central Plume and Additional Groundwater Modeling for PCE/TCE Contamination Remediation (\$467,500)

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Authorize additional task orders as described below with Treadwell & Rollo regarding PCE/TCE contamination.

BACKGROUND INFORMATION: The City is continuing its movement from legal, investigative and monitoring activities on the PCE/TCE groundwater contamination to more remediation activities. Our technical consultants, Treadwell & Rollo (T&R), in consultation with City and Regional Water Quality

Control Board staff, have developed a proposal for most of the technical work anticipated in 2008. In addition, T&R has requested additional compensation for development of the groundwater model that was described to the City Council at the November 20, 2007 Shirtsleeve Session.

The 2008 work consists of cost estimating/alternatives analysis and various elements anticipated in the revised cleanup and abatement order to be adopted by the Central Valley Regional Water Quality Control Board. They are described in more detail in Exhibit A. Although T&R has suggested a total budget of \$282,000 for much of the work, excluding \$95,000 for a Remedial Action Plan and \$7,000 for indoor air sampling, staff is recommending that this work be included now, as doing so will help integrate the work and provide for faster and more efficient work flow. In addition, staff also recommends a contingency amount of approximately 10%, for a total of \$422,000. Their request also includes an update of billing rates which have remained fixed since 2004. Staff supports this request, noting that all their standard rates would still be discounted 8%.

The request from T&R for additional funds for the groundwater modeling work is shown in Exhibit B and totals an additional \$49,000 over the original estimate of \$109,400. While staff is concerned about the additional costs, we do note that: a) the work was necessary, and b) that if the original estimate had included this level of effort, we would have paid for the work anyway. Staff does suggest that the amount for additional meetings be reduced by \$3,500 since the work was largely within T&R's control as to the number of staff who attended.

FISCAL IMPACT: The work is essential to the PCE/TCE remediation program and could result in overall lower costs for the program. The total cost for the staff recommendation is \$467,500 (\$422,000 + \$49,000 - \$3,500).

FUNDING AVAILABLE: Central Plume Trust Fund (190201)

Kirk Evans, Budget Manager

Richard C. Prima, Jr.
Public Works Director

RCP/pmf
Attachments

APPROVED: _____
Blair King, City Manager

DEC 03 2007

CITY OF LODI
3006 BOX

27 November 2007
Project: 3923.12

City of Lodi Public Works Department
Attention: Mr. Richard C. Prima, Jr.
P.O. Box 3006
Lodi, CA 95241-1910

Subject: Cost Estimate for City-Wide Remediation and Cleanup and Abatement Order Response
City of Lodi, California

Dear Mr. Prima:

At your request, Treadwell & Rollo, Inc. has prepared the following description of the scope, schedule, and cost estimate for two scopes of work. The first scope is to develop an initial remediation cost estimate for the Central Plume and other chlorinated solvent plumes in the City (Cost Estimate for City-Wide Remediation). The objective of this work is to provide a preliminary range of likely costs to conduct remediation for the foreseeable future that can be used by the City for planning purposes.

The second scope of work is to begin implementation of the new Cleanup and Abatement Order (CAO) for the Central Plume in the City of Lodi (CAO Response). The objective of this work is to continue remediation of the Central Plume source area. These two scopes of work are described separately in the Approach and Scope of Work sections below.

APPROACH

Cost Estimate for City-Wide Remediation

We understand that the City needs to begin to plan for the remediation of the four contaminant plumes for which the City has or will have remediation responsibility. These plumes include the Central, Northern, Southern, and South Central/Western Plumes, each of which contains tetrachloroethene (PCE) and/or trichloroethene (TCE) and their break-down products. The City's role requires it to remediate the soil and groundwater contamination associated with the Central Plume and the groundwater contamination associated with the remaining plumes. The Busy Bee Plume is not included in this list as it is being remediated by others.

Of the four plumes, only the Central Plume has been fully defined in extent and is subject to remediation technology testing. The remaining three plumes have a range of uncertainty associated with them, from incomplete site and off-site characterization to final legal agreements by responsible parties. Aware of these and other outstanding issues, the City has requested that we develop an initial cost estimate of City-wide remediation activities for long-range groundwater remediation planning purposes.

Our approach in preparing the City-wide cost estimate is to develop reasonable remedial scenarios based on, for certain portions of the plumes, necessarily broad assumptions that use the currently available information. Because the assumptions will be broad for the Northern, Southern, and South Central/Western Plumes, the cost estimate will cover a range of possible costs and must be considered preliminary. At the current time, we are assuming that most of the City's remediation efforts will focus on the extraction and treatment of contaminated groundwater, reuse of the water wherever possible, and City-wide long-term monitoring of the remediation efforts. Remediation estimates for soil and

City of Lodi Public Works Department
Attention: Mr. Richard C. Prima
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groundwater contamination in the Central Plume will be based on the extensive work done for that plume and will have a higher level of confidence.

We will evaluate the reasonableness of our groundwater extraction assumptions and scenarios using the City of Lodi groundwater flow model recently developed for the Central Plume, with expansion of the model as needed. We expect that additional work, including field work, may be needed for selected plumes to adequately assess remediation assumptions and costs; this additional work is not included in the scope of work presented below.

CAO Response

CAO Response tasks include revising the draft CAO to address questions by the RWQCB, preparation of an interim remedial measures (IRM) workplan, preparation of a Remedial Action Plan (RAP), and other activities. These tasks extend from the present through 2009. The objective of the work is to implement remediation of the source area of the Central Plume, including soil remediation and groundwater extraction and containment.

We anticipate that the RWQCB will approve the draft CAO which we submitted on 25 October 2007. As provided in the CAO, the Central Plume IRM will be focused on removal of contaminant mass from source area vadose zone soils and near-source area control of the most highly contaminated groundwater.

The CAO Response tasks will not include the following portions of the draft CAO:

- Remedial Design;
- Implementation of Final RAP;
- Operation and Maintenance of the RAP; and
- Five Year Review.

SCOPE OF WORK

Cost Estimate for City-Wide Remediation

The cost estimate work will include the following:

- Developing remedial scenarios for the Central, Northern, Southern, and South Central/Western Plumes that will likely be approved by the RWQCB;
- Compiling capital and operational costs of the specific baseline technologies used in the planning scenarios;
- Preparing spreadsheets to itemize and calculate the estimated costs for the scenarios;
- Checking the technical feasibility of the scenarios using the City of Lodi groundwater flow and contaminant transport model;

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- Revising the scenarios and costs according to the model results; and
- Documenting the results of the cost estimate with spreadsheets and a list of assumptions, a graph showing the costs estimated to be incurred over time, a map showing well locations and groundwater capture areas for each remedial scenario, and a brief letter report.

Based on currently available data, we will make the following assumptions for the cost estimate:

- The Central Plume IRM will begin in 2008;
- City-wide remediation will begin no sooner than 2010;
- Reuse of treated groundwater will be a primary focus for the City and will be allowable by the California regulatory agencies; and
- Remediation costs will continue throughout a 30-year timeframe.

The primary remedial scenarios will likely include the following:

- Soil vapor extraction (SVE) to remove contaminant mass from vadose zone soils at the Central Plume only;
- Groundwater extraction and treatment using granular activated carbon (GAC), HiPOX treatment or similar technology (as determined during the assessment of technologies), assuming that groundwater remediation goals are the current maximum contaminant levels (MCLs) for drinking water;
- Reuse of treated groundwater to reduce potential waste of water at all plumes, with possible reinjection of treated groundwater where warranted;
- Site-specific additional investigations, groundwater monitoring, and remedial technologies to remove mass from highly contaminated groundwater areas; and
- Adjustments to the Lodi water supply well pumping, well-head treatment or other remediation technology, according to the simulated effects of the PCE/TCE contamination on the City water supply wells.

CAO Response

The scope of work for the CAO Response will include revising the draft to address RWQCB questions and comments and implementing specific IRM tasks. The RWQCB will likely have questions or comments regarding the draft CAO, and we anticipate that we will need to make limited revisions to the CAO for final approval. Specific IRM tasks in the CAO Response scope include the following:

- Central Plume IRM Work Plan. Treadwell & Rollo will prepare an IRM work plan to perform soil vapor extraction (SVE) and groundwater extraction and containment in the source area vicinity of

City of Lodi Public Works Department
Attention: Mr. Richard C. Prima
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the Central Plume. We expect that the groundwater extraction and containment will likely consist of extraction wells at Oak Street and Chestnut Street only. The Central Plume IRM Work Plan will include an implementation schedule. We anticipate that contaminated groundwater down-gradient of the Central Plume source area will be addressed in a City-wide groundwater remediation program that will be outside of this CAO.

Treadwell & Rollo will conduct groundwater flow modeling to evaluate the location, depths, and pumping rates of groundwater extraction wells. The model results will help to evaluate the most reasonable remediation scenarios and the potential influence of groundwater extraction on other nearby groundwater contamination plumes.

In addition, Treadwell & Rollo will develop preliminary engineering designs for the SVE and groundwater extraction systems. We will coordinate with the City of Lodi staff regarding the disposition of the treated groundwater, property acquisition, and permitting. We have not included scopes for IRM system installation and startup nor for IRM system operation and maintenance. These scopes will be needed to comply with the CAO and are dependent on the engineering design results.

- Confirmation Indoor Air Sampling. Following startup and operation of the Central Plume IRM, confirmation indoor air samples will be collected at locations where PCE or TCE concentrations in indoor air previously exceeded screening criteria. Sampling locations will include: 1) St. Anne's School at 200 South Pleasant Avenue, 2) 215 West Oak Street – Cindi's Bookkeeping, 3) 215 West Oak Street – Central Valley Internet, 4) United Methodist Church at 200 West Oak Street, 5) 11 South Church Street, and 6) the residence at 18 South Pleasant Avenue. We expect to collect one sample per location and to collect only one sample each for duplicate, equipment, and trip blank quality control analyses. This work is required for compliance with the CAO.
- Preparation of Public Participation Plan (Community Relations). Treadwell & Rollo will develop a Public Participation Plan (PPP) that describes how the public and adjoining community will be kept informed of activities conducted at the Central Plume source area and how the City and Treadwell & Rollo will respond to inquiries from concerned citizens. We expect that the PPP will follow the standards of typical community relations plans. This work is required for compliance with the CAO.
- Support Activities for Compliance with the California Environmental Quality Act (CEQA). Treadwell & Rollo will provide information to facilitate the RWQCB's compliance with CEQA. We anticipate that this work will require no more than a total of one week's professional time. This work is required for compliance with the CAO.
- Remedial Action Plan. Treadwell & Rollo will prepare and submit a draft RAP that includes an evaluation of remedial alternatives for the Central Plume source area and groundwater. Treadwell & Rollo will use the previous investigations, pilot testing, and IRM results to assess Site conditions and to evaluate alternatives and select a remedy appropriate for the Central Plume and compatible with likely future remedial activities. As a result, our analysis of the remedial scenarios will include groundwater flow and contaminant transport modeling to assess interaction between the plumes and the City of Lodi water supply wells for the Northern, South Central/Western, and Southern Plumes. This work is required for compliance with the CAO.

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Attention: Mr. Richard C. Prima
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- Implementation of PPP. Treadwell & Rollo will implement a public review process consistent with the PPP. This will include the preparation of a fact sheet for the IRM Work Plan and a fact sheet and public meeting for the RAP. Within 10 days after closure of the public comment period, Treadwell & Rollo will submit a written Responsiveness Summary of all written and oral comments presented and received during the RAP public comment period. Within fifteen (15) days following approval of the Responsiveness Summary, Treadwell & Rollo will modify the RAP in accordance with the Responsiveness Summary and submit a final RAP. This work is required for compliance with the CAO.
- Groundwater Monitoring. The City is currently conducting groundwater monitoring for the Central Plume. The RWQCB has approved a change from quarterly to semi-annual sampling and reporting as well as submittals to Geotracker as needed and a hard copy and electronic Annual Report. For 2008, the Central Plume groundwater monitoring is expected to include sampling in March, September, and December. The Central Plume IRM Work Plan will include proposed changes to the current monitoring program. This work is required for compliance with the CAO.
- Semi-annual Summary Reports. Under the provisions of the CAO, Treadwell & Rollo will prepare a Semi-annual Summary Report of its activities and submit the report to Geotracker. The report will be received by the fifteenth (15th) day of June and December and will describe:
 - Specific actions taken by or on behalf of the City of Lodi during the previous six months;
 - Actions expected to be undertaken during the next six months;
 - Any requirements under the CAO that were not completed;
 - Any problems or anticipated problems in complying with the CAO; and
 - All results of sample analyses, tests, and other data generated under the CAO during the previous calendar quarter, and any significant findings from these data.

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 Attention: Mr. Richard C. Prima
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SCHEDULE

The completion dates for the Cost Estimate for City-Wide Remediation and the CAO Response are presented below. The CAO due dates are specified in the draft CAO and determine the completion dates for the CAO tasks. Additional completion dates are needed to implement the work and achieve the CAO requirements. The completion dates are listed below assuming that the CAO is approved on or before 7 December 2007.

<i>Task</i>	<i>Completion Date</i>
Cost Estimate for City-Wide Remediation	
List of assumptions to City	15 December
Cost estimate to City	31 December 2008
CAO Response	
Draft CAO Revisions	January 2008
Central Plume IRM Work Plan Submittal	1 March 2008
Confirmation Indoor Air Sampling	After startup and operation of the Central Plume IRM
Preparation of PPP	January 2008
CEQA Support	(as needed)
RAP	2010
Implementation of PPP	
- Fact sheet for the IRM Work Plan	January 2008
- RAP Fact sheet and public meeting	2010
- Responsiveness Summary	10 days after closure of the public comment period
- RAP finalization and submittal	15 days following Responsiveness Summary approval
Groundwater Monitoring	March, September, and December 2008 (one year only included)
Semi-annual Summary Reports	15 th day of December 2007- 2009 and June 2008-2009

This schedule is dependent on the final CAO action items and schedule, the IRM progress, and other factors. Although not included in this authorization request, the work for IRM system installation and startup and operation and maintenance will need to be scheduled. The IRM system installation and startup will likely require a lead time of three to six months prior to reaching full operation.

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Attention: Mr. Richard C. Prima
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ESTIMATED FEES

Our estimated fees are as follows:

<i>Task</i>	<i>Estimated Fees</i>
Cost Estimate for City-Wide Remediation	\$73,000
CAO Response	
CAO Revisions for RWQCB	\$8,000
Central Plume IRM Work Plan	\$70,000 (including modeling and engineering)
Confirmation Indoor Air Sampling	\$ 7,000
Preparation of PPP	\$ 6,000
CEQA Support	\$ 5,000
RAP	\$95,000 (including modeling)
Implementation of PPP	\$10,000
Groundwater Monitoring	\$100,000/ year
Semi-annual Summary Reports	\$10,000/ year

We will perform the work on a time-and-expense basis in accordance with terms in our Technical Services Task Order Agreement signed 19 May 2004 with the City of Lodi. We request authorization from the City of Lodi to commence work on the Cost Estimate for City-Wide Remediation, CAO Revisions, Central Plume IRM Work Plan, Preparation of PPP, CEQA Support, Implementation of PPP, Groundwater Monitoring (for 2008), and Semi-annual Summary Reports (for 2008). The total authorization request is \$282,000. The authorizations for the RAP and Confirmation Indoor Air Monitoring tasks can be deferred until a more definitive schedule has been set.

Request for Billing Rate Changes

Certain Treadwell & Rollo staff, including Philip Smith, Dorinda Shipman, and Patrick Hubbard, has not had their billing rates adjusted since the original contract was executed on 22 April 2004. In this contract, all unnamed Treadwell & Rollo professionals are to be billed at an 8% reduction from their standard rates. The rates of named professionals are fixed, although we believe that there was an understanding that rate increases for these individuals would be granted at a future date. As this has not yet been done, we are requesting that ALL Treadwell & Rollo individual billing rates be subject to the previously-agreed 8% reduction from standard rates, beginning 1 January 2008.

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Attention: Mr. Richard C. Prima
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We appreciate the opportunity to assist the City of Lodi. Please contact us if you need any further information.

Sincerely,
TREADWELL & ROLLO, INC.

A handwritten signature in black ink, appearing to read "P.G. Smith".

Philip G. Smith, CPGS, REA II
Vice President

A handwritten signature in black ink, appearing to read "Pat Hubbard".

Patrick B. Hubbard, PG
Senior Associate Geologist

39231216.PBH

27 November 2007
Project: 3923.21

City of Lodi Public Works Department
Attention: Mr. Richard C. Prima, Jr.
P.O. Box 3006
Lodi, CA 95241-1910

Subject: Detailed Description of Additional Tasks for Central Plume Groundwater Flow Model
City of Lodi, California

Dear Mr. Prima:

Per your request, the following is a detailed description and documentation of additional tasks and related costs that were required to complete and present the groundwater flow and transport numerical model for the City of Lodi. The objective of this work has been to develop a groundwater flow and transport computer model to aid in the design of an appropriate remedial action plan for the Central Plume groundwater contamination. The model may also be applied as a tool for remedial planning of other groundwater contamination plumes (the South Central/Western, Northern, and Southern Plumes) and for managing groundwater resources.

This letter includes descriptions of task work that exceeded anticipated estimated budgets and tasks that were not part of our proposal dated 1 March 2007. These additional tasks were essential to successfully complete and present the model to the California Central Valley Regional Water Quality Control Board (RWQCB) and to the 20 November 2007 City Council shirtsleeve session. As we discussed in our meetings with you and, most recently, with the RWQCB on 25 October 2007, the RWQCB agrees that the model will be a critical tool in the selection of appropriate remedial alternatives and will likely help in reducing both short- and long-term costs to the City.

BACKGROUND

The Central Plume is the largest chlorinated solvent plume of the five such plumes in the City. As the Central Plume legal issues have been settled with the various responsible parties, this plume was the focus of the groundwater flow model. The initial scope of work was based on our estimate of available data, subsurface conditions, and the data evaluation needs of the City and the RWQCB. During our work, we found that groundwater flow in the Central Plume area is significantly influenced by groundwater extraction outside of the City limits, which necessitated compiling considerably more data than originally anticipated. To assist in responding to the RWQCB request for a new Central Plume Cleanup and Abatement Order (CAO), we also performed numerous simulations that were not anticipated during the initial budgeting. As a result, Treadwell and Rollo performed additional tasks and incurred additional costs, which are presented below and summarized in the accompanying table.

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Attention: Mr. Richard C. Prima, Jr.
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ADDITIONAL TASKS

The following describes the basis and need for the additional costs using our original task identification structure.

Task 1000 – Data Compilation and Evaluation (Additional Budget Request = \$14,000)

Our original scope for Task 1000 assumed that the model would be developed with data that was predominantly within our files. However, after the data were compiled and the model was constructed, the flow portion of the model could not be calibrated. It became clear that additional ground water production data beyond the City limits would need to be compiled and evaluated in order to adequately calibrate the model. Additional data gathering and evaluation consisted of the following:

- Search of DWR records – Three separate file requests were made to the California Department of Water Resources (DWR) for well records outside of the City limits.
- Additional review of more than 900 DWR reports – An extensive review of more than 900 irrigation, domestic, and monitoring well DWR reports was performed. Location, lithology, production, and screen intervals were reviewed and summarized according to township and range section. DWR reports related to monitoring wells or well destruction were discarded from the database. DWR reports dated back to the turn of the century and were of variable quality and condition.
- Additional review of water production records for domestic and agricultural irrigation wells – Treadwell & Rollo evaluated water production data associated with the different screen depths where available. Additional data was obtained from the City.

Task 2000 – Model Development and Construction (Additional Budget Request = \$2,500)

Based on the results of the additional data compilation, the model was amended and expanded. These additional efforts consisted of the following:

- Model domain expansion – The original extent of the modeled area (domain) had to be extended to include the large number of influential wells which were mainly outside of the City limits, with a particularly large expansion to the southeast of the City.
- Additional well integration into model – In order to model the effect of the more than 700 wells outside of the City, wells were grouped by section. Then production of each individual well was incorporated into the compiled well location according to screen depth. This method integrated the more than 700 wells into 190 well areas in the model. These simplified well areas were then located in the model based on their proximity to the actual wells. This effort was required to make the model as efficient as possible.

Task 3000 – Model Calibration (Additional Budget Request = \$6,500)

Recalibration of the model to match additional well production – After the integration of the well areas, the model was re-calibrated to match the groundwater elevation contours within the City limits as well as the groundwater flow directions in the shallow, intermediate, and deep layers. Without accurate

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calibration, it would have been impossible to develop accurate remediation alternative scenarios. A total of 60 calibration runs were required.

Task 4000 – Model Verification (Additional Budget Request = \$0)

No additional scope was required for Task 4.

Task 5000 – Sensitivity Analysis (Additional Budget Request = \$3,000)

Because of the effect of the additional wells, additional unbudgeted sensitivity simulations of groundwater flow and contaminant transport were performed. These sensitivity simulations were needed to assess the model's sensitivity to multiple extraction well locations, seasonal flow rates, and variations in source area conditions reflecting the much larger model domain.

Task 6000 – Predictive Simulations (Additional Budget Request = \$3,000)

Because the RWQCB requested that the City begin to prepare a new CAO for the Central Plume, additional unanticipated predictive simulations of groundwater flow and contaminant transport were performed. These additional predictive simulations and related animations were used to evaluate possible CAO remedial alternatives in the Central Plume and impacts on hypothetical Central Plume pumping on the South Central/Western Plume. Initial simulations involving the potential impact of Central Plume pumping on the Northern Plume were also performed but have not been fully calibrated. These simulations and related animations were key components to presenting the model's utility to the RWQCB as well as focusing on possible Central Plume remedial actions.

Task 7000 – Technical Memorandum (Additional Budget Request = \$0)

The technical memorandum has not been written at this time. The original budget for this task was \$15,600. We are ready to produce this documentation since the model has been adequately calibrated and tested.

Task 8000 – Meetings (Additional Budget Request = \$20,000)

Three meetings were scoped in the original budget – an initial meeting, a presentation of the completed model to City staff, and a presentation of the completed model to the RWQCB. Our budget assumed that no more than two Treadwell & Rollo personnel would attend any meeting. Also, one additional out of scope meeting was held (the shirtsleeve session to the City Council). In order to prepare for these four meetings, additional unanticipated work was necessary. Costs associated with this additional work were based on the following:

- The scope of the initial project meeting (held on 15 June 2007) was expanded to report on model development progress. During this meeting we presented the flow model results to date and explained the need to expand the model development outside of City limits. Three Treadwell & Rollo personnel attended.
- The scope of the completed model presentation to City staff (on 25 September 2007) was expanded to include model simulations outside of the Central Plume (i.e. the South Central/Western plume). In response to the RWQCB request for a new Central Plume CAO, the presentation included information

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regarding assumptions, construction, calibration, sensitivity, remedial scenarios for the Central and South Central/Western Plumes and two types of animation depicting the plume migration. In support of a cost-effective approach for the new CAO, the results of the model indicated the viability of focused, rather than extensive, groundwater extraction as the likely preferred remedial approach for the Central Plume. Four Treadwell & Rollo personnel attended.

- The scope of the completed model presentation to the RWQCB (on 25 October 2007) was expanded to include 3-D animations, preliminary remedial options for the Central Plume, and preliminary remedial options outside of the Central Plume (i.e. the South Central/Western Plume). Three out-of-scope simulations were provided in total. The favorable response of the RWQCB staff demonstrated the usefulness of the model as a key predictive tool to develop cost-effective remedial measures. Three Treadwell & Rollo personnel attended.
- As requested by the City but not included in our original scope, we prepared for a fourth meeting (the shirtsleeve session) which was held on 20 November 2007. The preparation for this meeting required time for the project team to rework and compile the previous presentations for the diverse audience in attendance at the shirtsleeve session, including enhancements to the 3-D animations.

ADDITIONAL FEES

The original proposal was based on an estimated budget that did not include the significant extra time needed to compile, assess, and input data for the model construction and calibration, the significant additional time required to make the additional calibration runs, and the running and animation development of multiple remediation scenarios that had not been anticipated. All of this work was necessary to complete the model development and calibration. We request authorization from the City to update the modeling budget for the fees associated with these additional tasks. The following table provides the original budget, amount of the original budget spent, and additional incurred costs by task.

Task	Description	Original Budget	Amount of Original Budget Expended	Additional Scope/Budget Requested	Task Total
1	Data Compilation & Evaluation	\$5,000	\$5,000	\$14,000	\$19,000
2	Model Development & Construction	\$24,000	\$24,000	\$2,500	\$26,500
3	Model Calibration	\$12,400	\$12,400	\$6,500	\$18,900
4	Model Verification	\$5,700	\$5,700	\$0	\$5,700
5	Sensitivity Analysis	\$7,200	\$7,200	\$3,000	\$10,200
6	Predictive Simulations	\$30,000	\$30,000	\$3,000	\$33,000
7	Technical Memorandum	\$15,600	\$0	\$0	\$15,600
8	Meetings	\$9,500	\$9,500	\$20,000	\$29,500
	Total	\$109,400	\$93,800	\$49,000	\$158,400

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At this time, we request a budget increase to \$158,400 based on the above table. Please note that we are not asking for 100% reimbursement for our total costs incurred, and have not charged approximately \$12,000 that we will write-off. We also note that by developing a flexible, verifiable groundwater model, the City will likely realize significant cost savings that would not have been possible otherwise.

We appreciate the opportunity to assist the City of Lodi. Please contact us if you need any further information or have any questions.

Sincerely,
TREADWELL & ROLLO, INC.



Philip G. Smith, CPGS, REA II
Vice President

39232101.PBH



Patrick B. Hubbard, PG
Senior Associate Hydrogeologist

AUTHORIZATION OF BUDGET INCREASE

Client: **City of Lodi**

By: _____ Date: _____
(Signature)

Name: _____
(Print Name)

Title: _____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Contract Change Order No. 4 with MV Public Transportation, Inc., to Add Computerized Dispatching Software, Installation and On-Going Software Service Charges (Not to Exceed \$24,000)

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute Contract Change Order No. 4 with MV Public Transportation, Inc., to add computerized dispatching software, installation and on-going monthly service charges for operations and support of the software.

BACKGROUND INFORMATION: At its May 21, 2003, meeting, the City Council awarded a contract to MV Public Transportation, Inc., (MV) for transit operations. Since the contract was awarded, all scheduling has been done manually by the dispatchers. With the proposed addition of Americans with Disabilities Act (ADA) Paratransit Service and its detailed tracking and reporting requirements, as well as the proposed changes to reservations-based Dial-A-Ride during the day, manual dispatching is not an efficient tool to manage the service.

Staff is recommending awarding this change order to MV Public Transportation for the licensing and installation of scheduling and dispatching software. MV will own the licenses and all minor equipment. In addition, a copy of the license will be provided to the Transportation Manager to allow for monitoring of the system. The software program is Trapeze and allows the dispatcher to electronically store and manage all data information for the passengers. The program can auto-populate addresses for origins and destinations, tracks average travel times and can assist in tracking the time between drop-off and pick-up to assist passengers with their travel planning. The proposed cost includes \$13,310 for the software license purchase, installation, training, and equipment. The remaining cost is the system access charge of \$1,713.48 per month for the remaining six months of the operations contract. This includes all maintenance and upgrades to the system, as well as report generation. Staff is recommending contracting this service due to the high cost of the software if purchased, the need for extensive training on its maintenance, and the ease of start-up due to MV's extensive use of this program in other locations.

The three previous change orders were: No. 1 - Short Range Transit Plan; No. 2- Greyhound ticket sales; and No. 3 - Two-Year Contract Extension.

FISCAL IMPACT: The cost of the software installation costs and monthly operations charge has been included in the budget for the transit system. Failure to award the contract change order could result in the Contractor requesting additional

APPROVED: _____
Blair King, City Manager

staffing to manually dispatch and report, as these duties were not included in the original scope of work.

FUNDING AVAILABLE: Transit operations are paid for utilizing Transportation Development Act (TDA) funds, Federal Transit Administration (FTA) Section 5307 funds, Measure K transit operations funds, and fare revenue. Funding is allocated in the annual budget process. No additional funding is required at this time.

Kirk Evans, Budget Manager

Richard C. Prima, Jr.
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager

RCP/TMF/pmf

cc: Transportation Manager

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A CONTRACT CHANGE
ORDER WITH MV PUBLIC TRANSPORTATION, INC., FOR
LICENSING AND INSTALLATION OF DISPATCHING
SOFTWARE AND ON-GOING SERVICE CHARGES

=====

WHEREAS, all scheduling and dispatching has been done manually since MV Transportation, Inc., was awarded the transit operations contract in May 2003; and

WHEREAS, manual dispatching is no longer an efficient tool to manage transit operations due to proposed addition of ADA Paratransit Service and its detailed tracking and reporting requirements; and

WHEREAS, staff is recommending awarding this contract change order for the licensing and installation of Trapeze scheduling and dispatching software due to the high cost should the City purchase the equipment, the extensive training needed for its maintenance, and the ease of start-up due to MV Transportation's extensive use of this program at other locations; and

WHEREAS, the cost of \$13,310 includes the software license purchase, installation, training, equipment, all maintenance, upgrades to the system, and report generation. There is a system access charge of \$1,713.48 per month. MV Transportation, Inc., will own the licenses and all minor equipment.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve Contract Change Order No. 4 with MV Public Transportation, Inc., for licensing and installation of Trapeze scheduling and dispatching software in the amount of \$13,310 plus the system access charge of \$1,713.48 per month, for a total amount not to exceed \$24,000; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to execute Contract Change Order No. 4 with MV Public Transportation, Inc.

Dated: December 19, 2007

=====

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Accept Proposed Victor Road Dedication from Archer Daniels Midland and Approve Transfer to Caltrans

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept the proposed Victor Road dedication from Archer Daniels Midland and approve the transfer of this dedication to Caltrans.

BACKGROUND INFORMATION: Archer Daniels Midland (ADM) has obtained a building permit for the construction of the first phase of a Sweetener Distribution Center at 350 North Guild Avenue. This first phase includes the construction of a 10,500 square foot operations building containing a two-bay truck wash, equipment room, scale and load-out area, as well as office space.

The City of Lodi's set-back requirements for the ADM development required that ADM obtain additional property along Victor Road. The north 40 feet of the abandoned 50-foot Union Pacific right-of-way was purchased by ADM along the Victor Road (State Route 12) frontage so that its facilities could be built and meet the City's set-back requirements. Union Pacific Railroad has also agreed to dedicate the south 10 feet of its right-of-way to the City of Lodi in exchange for rail improvements.

Caltrans is requiring the dedication of the south 6.5 feet of the ADM purchase for the future widening of Victor Road. The City of Lodi also placed a condition on the ADM use permit that required ADM to dedicate 28.5 feet to the City as a street easement for a sidewalk, a bike path, and landscaping along State Route 12.

Staff is now requesting Council approval to accept the proposed 35-foot dedication from ADM as a street easement and approve a transfer of 6.5 feet of this dedication to Caltrans for future Victor Road street improvements.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

Prepared by Wesley K. Fujitani, Senior Civil Engineer
RCP/WKF/pmf
cc: City Attorney
Baumbach and Piazza

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt a Resolution Authorizing the City Manager to Execute an Agreement with the Boosters of Boys/Girls Sports Organization (BOBS) for Concession Operations at the Grape Bowl Stadium, Kofu, Salas, and Zupo Parks and Other Locations for BOBS Sponsored Events

MEETING DATE: December 19, 2007

PREPARED BY: Interim Parks and Recreation Director

RECOMMENDED ACTION: Adopt the attached resolution authorizing the City Manager to execute an agreement with the Boosters of Boys/Girls Sports Organization (BOBS) for concession operations at the Grape Bowl Stadium, Kofu, Salas, and Zupo Parks and other locations for BOBS sponsored events.

BACKGROUND INFORMATION: The BOBS Organization is committed to providing low cost youth sports programs in Lodi. To meet this goal, the organization operates concession stands at various youth sports facilities. These facilities include the Grape Bowl Stadium, Kofu Park, Salas Park and Zupo Field. In addition to raising funds for program costs, the BOBS dedicate funds toward capital improvements at these sites. Their most recent projects include ball field renovations, batting cage installations, basketball standards and scoreboards.

The concession outlets are staffed by employees of the City. The BOBS will continue to pay the City 105% of all salaries and benefits for these employees. Both the old and new agreement provides that the BOBS will submit a monthly concession report to the Parks and Recreation Director. Staff recommends the attached agreement authorizing the BOBS to conduct concession operations at the Grape Bowl, Kofu Park, Salas Park and Zupo Field and other locations, which will be determined by mutual agreement with the BOBS and the Parks and Recreation Director, for BOBS sponsored events for the period January 1, 2008, to December 31, 2008.

FISCAL IMPACT: None

FUNDING AVAILABLE: N/A

Steve Dutra
Interim Parks and Recreation Director

APPROVED: _____
Blair King, City Manager

***B.O.B.S. CONCESSION EQUIPMENT INVENTORY
AS OF NOVEMBER 06, 2007***

6 Hot Dog Steamers
5 Food Steamers
3 Popcorn Machines
5 12 Cup Coffee Makers
4 42 Cup Coffee Makers
3 Ice Machines
2 Pretzel Displays/Warmers
1 Pretzel Oven with Display Case/Warmer
3 Pretzel Ovens
4 Microwaves
3 Chest Freezers
3 Upright Freezers
1 Double Upright Freezer
2 Refrigerators (owned by Pepsi)
2 Soda Machines (owned by Pepsi)
3 Fountain Machines (owned by Pepsi)
5 Casio Cash Registers
2 Wall Air Conditioners
5 Condiment Trays
5 Crock Pots
5 Electric Pots (deep fryers)
4 Serving Trays
5 Utensil Trays
4 Cheese Dispensers
6 1-Gallon Pitchers
3 Cash Boxes
Several Large Pots
Several Large Utensils
1 Wooden Office Desk

RAY H. HUEY,
B.O.B.S. CONCESSIONS MANAGER

AGREEMENT
CITY OF LODI AND BOOSTERS OF BOYS AND GIRLS
SPORTS FOR CONCESSION OPERATIONS AT
THE GRAPE BOWL STADIUM, KOFU, SALAS, ZUPO PARKS AND OTHER
LOCATIONS FOR BOBS SPONSORED EVENTS (DETERMINED BY
MUTUAL AGREEMENT WITH BOBS AND DIRECTOR OF PARKS AND RECREATION)

PARTIES:

This agreement is made and entered into this ____ day of _____, 2007 by and between the City of Lodi, a municipal corporation ("City") and the Boosters of Boys and Girls Sports ("BOBS"). The term of this agreement shall be from January 1, 2008 to December 31, 2008.

RECITALS:

BOBS agrees to operate concession stands at the below described parks under the terms and conditions set forth herein:

- Grape Bowl Stadium, 221 Lawrence Street, Lodi, California
- Kofu Park, 1145 S. Ham Lane, Lodi, California
- Salas Park, 2001 S. Stockton Street, Lodi, California
- Zupo Park, 350 N. Washington Street, Lodi, California

TERMS AND CONDITIONS:

1. Premises: City does hereby grant to BOBS the sole and exclusive right\license to vend food and drinks, etc. at the concession stands at the Grape Bowl Stadium, Kofu, Salas, and Zupo parks and other locations for BOBS sponsored programs and events (determined by mutual agreement with BOBS and the Director of Parks and Recreation for the term of this agreement.
2. Consideration: In consideration for the granting of this right\license the parties shall do the following:

A. City shall provide:

1. Enclosed concession stands at the Grape Bowl Stadium, Kofu, Salas and Zupo parks with some limited City-owned equipment listed in Exhibit A which BOBS will be expected to service and maintain at BOBS sole cost and expense;
2. Water, sanitary sewer, gas, electricity, and garbage receptacles outside of the concession buildings;
3. Maintenance of the general property of the concession buildings, unless abuse and lack of general care is apparent, at which time the cost and expenditures shall be that of the BOBS.

B. Concession operation conditions:

1. The City Manager is granted the right to immediately terminate this agreement upon failure on the part of the BOBS to keep in full force and effect during the entire term of this agreement, the insurance required herein;
2. BOBS shall, prior to opening for business, furnish a products and price schedule and shall follow the products and price schedule as mutually agreed to between BOBS and City;
3. BOBS shall provide all equipment and merchandise necessary to operate said concessions except the equipment listed in Exhibit A;
4. BOBS shall keep accurate records and books of accounts of all purchases and sales and does hereby give to the City or its authorized agents, the right to examine and audit said books at any reasonable time. The BOBS will complete monthly reports, and these reports shall be filed with the City by the tenth day of every month while said concession is in operation;
5. BOBS shall operate said concessions on program game dates at times commencing 15 minutes before first scheduled game or event time and closing no earlier than the conclusion of the last scheduled game and/or 9:30 p.m.;

6. BOBS agrees to obtain at its own expense, any and all permits and licenses which may be required by law or ordinance in conducting the concessions, and to pay any and all taxes which may be assessed against it for whatever purposes in the operation of said concessions;
7. BOBS shall keep the concession stands and the immediate surrounding area in a clean and presentable condition at all times and follow the strictest of sanitary conditions, and any State and local ordinances applicable to the business conducted. BOBS shall give the City written notice of any maintenance problems;
8. The rights granted hereunder for concession sales at the identified parks, shall be exclusive to BOBS for BOBS sponsored events, with the exception of football games sponsored by the Lodi Unified School District at the Grape Bowl Stadium. Subleasing by BOBS is hereby prohibited;
9. BOBS is aware that a Possessory Interest Tax is or may be charged each year by the County Assessor for the use of the facilities and that payment of this tax is the responsibility of BOBS;
10. The Parks and Recreation Director shall consult with the BOBS and the Concession Manager to approve or disapprove any employee or operator of said concession stands on the basis of such considerations as dress, general cleanliness, working relationship with the public, and staff needed to successfully vend food for day to day operations, tournaments or special events/activities. (City will coordinate this action with Concessionaire manager);
11. City reserves the right to enter upon the premises at any reasonable time, to inspect the operation and equipment thereon, or for any other purpose;
12. BOBS shall not have the right to sell, mortgage, assign or sublet this agreement or any part thereof without the prior written consent of City and any attempt to do so shall automatically terminate this agreement;

13. BOBS shall be responsible for the security of the concession stand and any storage buildings assigned to its exclusive use as far as locks on doors and windows or installation of an alarm system if it is deemed necessary by mutual agreement of the parties. BOBS shall be responsible for any acts of vandalism to BOBS' equipment or inventory;

14. At the conclusion of or termination of this agreement BOBS shall surrender said concession premises in as good an order and condition as that in which BOBS received same, excepting ordinary wear and tear. Damage to or mistreatment of the buildings or City equipment will be the responsibility of BOBS to repair, replace, or reimburse for repair and replacement.

3. Insurance\Hold Harmless: City shall, as owner of the property, be responsible to the extent provided by law for any damages arising from the condition of the property itself, or from the direct and active negligence of City's employees and officers. BOBS shall save, defend, indemnify and hold harmless City, its officers, agents or employees from all damages, costs or expenses which may arise because of damages or injury caused by BOBS, its officers, agents, members or employees during the course of its activities on said premises. Such indemnity shall include attorney's fees. BOBS is required to carry a policy of comprehensive general liability insurance in compliance with all provisions of the "Risk Transfer Requirements for Lease or Use of City of Lodi Facilities", attached hereto as Exhibit A and incorporated herein by reference.

4. Termination of Agreement: This agreement may be terminated at any time with or without cause by either party upon thirty days written notice. Upon termination of this agreement BOBS agrees to quit and surrender the premises in a peaceable manner and City shall have the right to remove BOBS and all others occupying through or under this agreement.

5. Entire Agreement: This document contains the entire agreement between the parties. Any inconsistent prior or contemporaneous oral terms are void and shall not be used to modify or supplement this written agreement.

6. Attorney's Fee and Costs: In the event either party brings an action under this agreement at Law or in Equity, for the breach or enforcement thereof, the prevailing party in such action shall be entitled to its reasonable attorney's fees and costs whether or not such action is prosecuted to judgment.

IN WITNESS WHEREOF, the parties hereto, being in agreement with the terms of this writing, have set their hands as follows:

CITY OF LODI, a municipal corporation

BOOSTERS OF BOYS AND GIRLS
SPORTS (BOBS):

BLAIR KING
City Manager

KIM RUOFF
President

ATTEST:

RANDI JOHL
City Clerk

APPROVE AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney

Date

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE AGREEMENT BETWEEN THE CITY
OF LODI AND BOOSTERS OF BOYS AND GIRLS
SPORTS (BOBS) ORGANIZATION FOR CONCESSION
OPERATIONS AT THE GRAPE BOWL STADIUM, KOFU,
SALAS, AND ZUPO PARKS AND OTHER LOCATIONS
FOR BOBS SPONSORED EVENTS

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the agreement between the City of Lodi and Boosters of Boys and Girls Sports (BOBS) Organization for concession operations at the Grape Bowl Stadium, Kofu, Salas, and Zupo Parks and other locations for BOBS sponsored events; and

BE IT FURTHER RESOLVED that the term of this agreement will cover the period of January 1, 2008 through December 21, 2008.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the agreement on behalf of the City of Lodi.

Dated: December 19, 2007

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I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving Improvement Agreement for Public Improvements for Reynolds Ranch, Phase 1

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution approving the attached Improvement Agreement for the Public Improvements for Reynolds Ranch, Phase 1 and authorizing the City Manager and City Clerk to execute the agreement on behalf of the City.

BACKGROUND INFORMATION: The project is located on the south side of Harney Lane, west of Highway 99, as shown on Exhibit A.

The developer, Reynolds Ranch Partners, Inc., has furnished the City with improvement plans, necessary agreements, guarantees, and insurance for the proposed project. The developer also paid the required improvement agreement preparation fee and other miscellaneous fees (\$192,488.31).

The public improvements include the installation of water, recycled water, wastewater and storm drain improvements, street pavement improvements for Reynolds Ranch Parkway and the Reynolds Ranch Parkway/Harney Lane intersection and public and private landscape and irrigation improvements to serve the Blue Shield project and future development in the Reynolds Ranch Project.

FISCAL IMPACT: There will be a slight increase in long-term maintenance costs for public infrastructure, such as streets, water, wastewater and storm drain facilities, and City services, such as police and fire.

FUNDING AVAILABLE: Not applicable.

Richard C. Prima, Jr.
Public Works Director

Prepared by Sharon A. Welch, Senior Civil Engineer
Attachments

cc: Senior Civil Engineer Fujitani
Reynolds Ranch Partners, Inc.
Phillippi Engineering
PCI Construction

APPROVED:

Blair King, City Manager

IMPROVEMENT AGREEMENT
for the
PUBLIC IMPROVEMENTS
for
REYNOLDS RANCH, PHASE 1

THIS AGREEMENT is made and entered into by and between the CITY OF LODI, hereinafter referred to as "City", and REYNOLDS RANCH PARTNERS, INC., hereinafter referred to as "Developer".

RECITALS:

Developer has presented to City for approval public improvement plans for the Reynolds Ranch, Phase 1 development, hereinafter called "project", along with the legal descriptions and exhibits for the necessary street and easement dedications which will be provided under separate instruments.

Developer has requested approval of public improvement plans for the construction and completion of public improvements, including all streets, highways or public ways and public utility facilities which are a part of or appurtenant to the project, all in accordance with and as required by the plans and specifications for all or any of said improvements in, appurtenant to, or outside the limits of project, which plans and specifications are now on file in the office of and endorsed with the approval of the Public Works Director or his designee.

Council of the City will accept the dedications offered on condition that Developer first enter into and execute this agreement with City; and

This agreement is executed pursuant to the provisions of the Subdivision Map Act of the State of California and Title 15 and 16 of the Lodi City Code.

NOW THEREFORE, for and in consideration of the acceptance of the dedications offered, and in order to insure satisfactory performance by Developer of Developer's obligations under State law and City code, the parties agree as follows:

1. Performance of Work by Developer

Developer will do and perform, or cause to be done and performed at Developer's own expense, in a good and workmanlike manner, and furnish all required materials, all under the direction and to the satisfaction of the Public Works Director, all of the work and improvements as shown on the approved improvement plans for the project, Drawing Nos. 007D009-01 through 007D009-75, which are on file in the Public Works Department.

The Developer shall also perform or cause to be performed the following items which are not shown on the improvement plans:

- A. Street light installation and connection to City system.
- B. Natural gas line installation
- C. Telephone line installation
- D. Electrical system
- E. Cable television system

2. Development Changes

Developer shall also perform all work and furnish all materials necessary to comply with any changes required by the Public Works Director, which, in his opinion, are necessary or required to complete the work in conformance with City Standards or are the result of changed conditions.

3. Performance of Work by City

Prior to the approval of the public improvement plans by the City, it is agreed that the Developer shall deposit with the City the amount of money shown as the "Developer Cost" on the Billing Schedule attached hereto and by this reference made a part hereof.

From payments made under the Billing Schedule, Developer elects to have the City perform or install or cause the installation of the following items:

- A. Installation of two (2) 12" x 12" x 10" Tees on the existing 12-inch public water main in Harney Lane.
- B. Street seal coat.
- C. Fire hydrant markers.
- D. Televideo inspection of the public sewer and storm drain lines. The fee shown on the Billing Schedule is based on the linear footage of sewer and storm drain pipe, including laterals, shown on the improvement plans. The fee will be adjusted, if necessary, when the televideo inspection is complete. Any additional fee must be paid prior to project acceptance.
- E. Storm Water Permit Compliance Inspections. The fee shown on the Billing Schedule is based on one (1) inspection per month for construction activities covering two (2) wet seasons (October 2007 to April 2008 and October 2008 to April 2009). The fee will be adjusted, if necessary, when the improvements are complete and ready for acceptance by the City. Any additional fee must be paid prior to project acceptance.

Developer shall also pay all additional costs for work performed by City forces deemed by the Public Works Director necessary to complete the work under this agreement in conformance with City Standards.

4. Development Impact Mitigation Fees

Development Impact Mitigation Fees for water, wastewater capacity, street improvements, storm drain, police, fire and general City facilities are required for this project. The fees shall be paid in conformance with the terms of the Development Agreement by and Between the City of Lodi and San Joaquin Valley Land Company, LLC recorded as Document No. 2006-268372 in the Official Records of San Joaquin County. In conformance with LMC 15.64.050, the fees are automatically adjusted on January 1 of each year. Fees may also be adjusted at other times by separate City Council action. The actual fees to be paid will be those in effect at the time of payment. This agreement shall in no way limit the City's ability to charge the the fees in effect at the time of fee payment.

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5. Street and Public Utility Easement Dedications

Developer shall acquire, without cost to the City of Lodi, street, public utility and temporary construction easements to the approval of the Public Works Director to allow construction of street and public utility improvements shown on the approved plans for the project. The Developer's engineer shall provide the legal descriptions, with exhibits showing the location of each dedication, for review and approval by the City. City staff will prepare the easement deeds. Developer shall have the deeds executed by the property owners, notarized and returned to the City for recordation.

6. Master Plans

Detailed master plans and supporting studies, including engineering calculations, for all phases of the development must be submitted and approved by the City Council prior to acceptance of the public improvements. The studies shall include the following:

- A. A detailed water master plan to identify facilities, phasing and other facilities needed to provide a water system for the project that meets City requirements. The engineering analysis shall include a looped water pipeline plan and identification of possible water well sites within the Reynolds Ranch project area.
- B. A detailed wastewater master plan to identify facilities, phasing and other facilities needed to provide a wastewater system that conforms to City requirements. The engineering analysis shall include the development of a collection system, sizing of the pipe network, sizing of interim/temporary and ultimate pump station facilities and construction phasing for the required improvements.
- C. A detailed drainage master plan to identify collection and storage facilities, phasing and other appurtenances in conformance with City requirements. The engineering analysis shall include sizing of the pipe network, detention basins and pump station discharging to the Woodbridge Irrigation District Canal.
- D. Topography and/or spot elevations for the entire study area to confirm validity of water, wastewater and storm drain master plans.
- E. Composite utility diagram to facilitate review of potential utility crossing conflicts.

The required master plans and supporting studies are necessary to confirm the overall design of the proposed Reynolds Ranch development.

7. Finance and Implementation Plan

A Finance and Implementation Plan, including a project phasing plan, to identify funding for the required public improvements and interim/temporary improvements for each phase of the project must be submitted by the Developer and approved by the City Council prior to acceptance of the public improvements. The Finance and Implementation Plan is dependent on the above mentioned master plans.

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8. Temporary Private Wastewater Lift Station

The Developer plans to construct a temporary private wastewater lift station and appurtenant facilities to provide wastewater service for the Blue Shield Project (Phase 1; 16.7 acres) at 3021 S. Cherokee Lane (APN 058-110-41). The location of the lift station site and the private wastewater lines and force main are shown on the public improvement plans for reference, but will not be accepted by the City as public improvements. The private wastewater facilities shall be installed under the terms of a structural encroachment permit to be obtained from the Public Works Department. The plans and specifications for the private facilities shall be submitted to the City as part of the encroachment permit application process.

Repair, maintenance and operation of the private wastewater lift station and appurtenant private facilities will be the sole responsibility of the Developer.

9. Record of Survey

Developer shall provide a Record of Survey, including monumentation, for the centerline alignment of Reynolds Ranch Parkway. The Record of Survey shall be submitted to the County of San Joaquin for review and approval. A copy of the Record of Survey shall also be submitted to the City of Lodi for review prior to recordation. The Record of Survey shall be filed in the Office of the San Joaquin County Recorder prior to acceptance of the public improvements.

10. Work; Time for Commencement and Performance

Developer shall, within 365 calendar days from the date of this agreement, perform or cause to be performed all work and/or improvements described under this agreement. At least 15 calendar days prior to the commencement of work hereunder, Developer shall notify the Public Works Director of the date fixed by Developer for commencement thereof so that City can provide inspection services.

11. Time Extension

Time is of the essence of this agreement. The City may extend the time for completion of the improvements hereunder under the terms of an addendum to this agreement which shall be approved by the City Manager. Any such extension may be granted without notice to the Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure the faithful performance of this agreement. The City Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.

12. Record Drawings and Certifications

Prior to acceptance of the project improvements, the Developer shall have (installed and in place all survey monuments as shown on the Map and) provided record drawings and certifications as described in the City of Lodi Public Improvement Design Standards.

13. Permits; Compliance with Law

Developer shall, at Developer's expense, obtain all necessary permits and licenses for the construction of such improvements, give all necessary notices and pay all fees and taxes required by law.

14. Superintendence by Developer

Developer shall give personal superintendence to the work on said improvement, or have a competent agent, foreman or superintendent, satisfactory to the Public Works Director, on the work at all times during progress, with authority to act for Developer.

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15. Inspection by City

Developer shall at all times maintain proper facilities and provide safe access for inspection by City to all parts of the work. Inspections will be provided during normal working hours. Developer will be billed for inspections on work performed on weekends, holidays and overtime. Developer shall also pay all additional costs incurred by City for soils and materials testing and/or inspection services required as a part of City inspection activities.

16. Contract Security

Concurrently with the execution hereof, Developer shall furnish Improvement Security of at least 100% of the estimated cost of public improvements plus engineering costs of surveying, record drawings and certifications as security for the faithful performance of this agreement; and an amount equal to at least 50% of the above costs as security for the payment of all persons performing labor and furnishing materials in connection with this agreement as more fully described in the State Subdivision Map Act.

The City has determined these security amounts to be as follows:

Faithful Performance \$6,444,800.00
Labor and Materials \$3,222,400.00

17. Warranty Security

Prior to acceptance of the project improvements by the City, Developer shall furnish Warranty Security of at least 10% of the total cost of the public improvements as security

for repair or replacement of defective work under Paragraph 17 following. The warranty period shall be two (2) years following the date of acceptance of the improvements. If any portion of the project receives partial acceptance during the course of construction, the warranty period for all required project improvements shall commence upon the date of final acceptance for the entire project.

18. Hold-Harmless Agreement

Developer hereby agrees to, and shall, hold City, its elective and appointive boards, commissions, officers, agents and employees, harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Developer's or Developer's contractors', subcontractors', agents' or employees' operations under this agreement, whether such operations be by Developer or by any of Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Developer or any of Developer's contractors or subcontractors. Developer agrees to, and shall, defend City and its elective and appointive boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations; provided as follows:

- A. That City does not, and shall not, waive any rights against Developer which it may have by reason of the aforesaid hold-harmless agreement, because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in Paragraph 18 hereof.
- B. That the aforesaid hold-harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this paragraph, regardless of whether or not City has prepared, supplied or approved of, plans and/or specifications for the project, or regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

19. Developer's Insurance

Developer shall not commence work under this agreement until Developer shall have obtained all insurance required under this paragraph, nor shall Developer allow any contractor or subcontractor to commence work on Developer's contract or subcontract until all similar insurance required of the contractor or subcontractor shall have been so obtained. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

A. Compensation Insurance

Developer shall maintain, during the life of this agreement, Worker's Compensation Insurance for all Developer's employees employed at the site of improvement, and in case any work is sublet, Developer shall require any contractor or subcontractor similarly to provide Worker's Compensation Insurance for all contractors' or subcontractors' employees, unless such employees are covered by the protection afforded by Developer. Developer hereby indemnifies City for any damage resulting to it from failure of either Developer or any contractor or subcontractor to take out or maintain such insurance.

B. Comprehensive General and Automobile Insurance

Developer shall take out and maintain during the life of this agreement such insurance as shall insure City, its elective and appointive boards, commissions, officers, agents and employees, Developer and any contractor or subcontractor performing work covered by this agreement from claims for damages for personal injury, including death, as well as from claims for property damage which may arise on the project property, including any public streets or easements, from Developer's or any contractors' or subcontractors' operations hereunder, whether such operations

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be by Developer or any contractor or subcontractor or by anyone directly or indirectly employed by either Developer or any contractor or subcontractor, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY

\$2,000,000 Bodily Injury - Each Occurrence/Aggregate
\$2,000,000 Property Damage - Each Occurrence/Aggregate
or
\$2,000,000 Combined Single Limit

2. COMPREHENSIVE AUTOMOBILE LIABILITY

\$2,000,000 Bodily Injury - Each Person
\$2,000,000 Bodily Injury - Each Occurrence
\$2,000,000 Property Damage - Each Occurrence
or
\$2,000,000 Combined Single Limit

Developer must have comprehensive automobile liability only if Developer's vehicles are used on-site.

NOTE: Developer agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

"Claims made" coverage requiring the insureds to give notice of any potential liability during a time period shorter than that found in the Tort Claims Act shall be unacceptable.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

A. Additional Named Insured Endorsement

Such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents and employees as additional named insured insofar as work performed by the insured under written contract with the City of Lodi. This endorsement shall be on the form furnished by the City and shall be included with Developer's policies.

B. Primary Insurance Endorsement

Such insurance as is afforded by the endorsement for the additional insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the insurance afforded by this endorsement.

C. Severability of Interest Clause

The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

20. Evidence of Insurance

Developer shall furnish City, concurrently with the execution hereof, with satisfactory evidence of the insurance required and evidence that each carrier is required to give City at least 30 days prior notice of the cancellation or reduction in coverage of any policy during the effective period of this agreement. The address of the City of Lodi must be

shown on the certificate of insurance, i.e., City of Lodi, 221 West Pine Street, Lodi, CA 95240.

21. Title to Improvements

Title to, and ownership of, all public improvements constructed hereunder by Developer shall vest absolutely in City upon completion and acceptance of such public improvements by City.

22. Repair or Reconstruction of Defective Work

If, within a period of two (2) years after final acceptance by City of the work performed under this agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this agreement, including the mitigation measures for dust and erosion control, fails to fulfill any of the requirements of this agreement plans and specifications referred to herein, Developer and Developer's surety shall, without delay and without cost to City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should Developer or Developer's surety fail to act promptly or in accordance with this requirement, or should the exigencies of the case require repairs or replacements to be made before Developer can be notified, City may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to City the actual cost of such repairs plus 15% for administration and overhead costs.

23. Repair or Replacement of City-owned Bypass Meter Assemblies

The Developer is required by the City to install bypass meter assemblies in conjunction with the installation of water mains in the City of Lodi. The City will supply these assemblies upon receipt of a deposit in the amount of \$5,000.00 for each assembly required. The purpose of the deposit is to guarantee the return of the assembly in good condition and fulfillment of the other obligations shown in the City's Policies and Procedures entitled "Metering Water Usage of New Water Mains Requiring Temporary Bypasses", a copy of which is attached hereto and made a part hereof.

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24. Mud, Debris, Dust and Erosion

Developer agrees and covenants not to permit mud or other debris to be tracked from the construction site or elsewhere onto City or County streets or onto private property without express permission. Developer further agrees not to cause damage to City or County streets.

Should any mud or debris be deposited in City or County streets or any damage caused to City or County streets, the Developer shall have the same removed or repaired forthwith, and if not removed or repaired upon notice within a specified time, the City shall cause the same to be removed or repaired and the Developer shall be charged for the cost of said removal or repairs.

The Developer, Developer's contractor and/or agents shall be responsible so no dust or erosion problems are created during construction, including installation of telephone, electrical, cable television and gas facilities. Developer's responsibility for dust and erosion control shall extend to include a period of two (2) years from the date of final acceptance by the City of the work performed under this agreement.

If a dust or erosion problem arises during development or within a period of two (2) years from the date of final acceptance by the City of the work performed under this agreement, including but not limited to installation of telephone, electrical, cable television, and/or gas facilities, and has not, after notice, been abated by Developer within a specified period of time, the City shall cause the same to be controlled, and the Developer shall be charged with the cost of said control.

25. Fire Protection During Construction

Fire protection facilities approved by the Fire Chief, including all-weather access road and an approved water supply capable of supplying the required fire flow, shall be installed and made serviceable in accordance with the City fire code prior to and during the time of building construction. The above may be modified when alternate methods of protection approved by the Fire Chief are provided.

26. Protection of Existing Improvements

Damage to any existing improvements or private or public utility lines installed or being installed which damage occurs during the onsite and offsite construction required of Developer shall be the absolute responsibility and liability of Developer. In other words, it shall be the Developer's responsibility to pay for damage to existing improvements and public or private utilities within the development. Damage to any existing facilities outside the limits of the project damaged as part of the construction of the required project improvements is also the Developer's responsibility.

27. Building Occupancy

The City will not allow occupancy of any building or structure within the project until all public improvements have been approved and accepted by the Public Works Department per established City policy and other requirements of the City codes have been met. If building is started prior to acceptance of the improvements, it is the Developer's responsibility to inform all prospective purchasers that occupancy will not be permitted until said fees are paid and public improvements are so accepted.

28. Developer Not Agent of City

Neither Developer nor any of Developer's agents or contractors are or shall be considered to be agents of City in connection with the performance of Developer's obligations under this agreement.

29. Notice of Breach and Default

If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extensions thereof, or fails to obtain completion of said work within such time, or if the Developer should be adjudged bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this agreement, the Public Works Director or City Council may serve written notice upon Developer and Developer's surety of breach of this agreement, or any portion thereof, and the default of Developer.

30. Breach of Agreement; Performance by Surety or City

In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvements herein specified; provided however, that if the surety, within five days after the serving upon it of such notice of breach, does not give City written notice of its intention to take over the performance of the contract, and does not commence performance thereof within 5 days after notice to City of such election, City may take over the work and prosecute the same to completion, by contract or by any other method City may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to City for any excess cost or damage occasioned City thereby; and, in such event, City, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefor.

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31. Notices

All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

Notices required to be given to City shall be addressed as follows:

Richard C. Prima, Jr.
Public Works Director
221 West Pine Street
P. O. Box 3006
Lodi, CA 95241-1910

Notices required to be given to Developer shall be addressed as follows:

Notices required to be given to Developer's agent shall be addressed as follows:

Notices required to be given to surety shall be addressed as follows:

Provided that either party or the surety may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

32. Execution

In Witness Whereof, Developer and City have caused their names to be hereunto affixed and the City of Lodi has caused its corporate name and seal to be hereunto affixed by its proper officers thereunto duly authorized.

REYNOLDS RANCH PARTNERS, INC.

Date

(CORPORATE SEAL)

CITY OF LODI, A MUNICIPAL CORPORATION

By: _____
Blair King, City Manager

Date

ATTEST:

Randi Johl, City Clerk

Date

APPROVED AS TO FORM:

D. Stephen Schwabauer, City Attorney

BILLING SCHEDULE

Development: Reynolds Ranch, Phase 1
Developer: Reynolds Ranch Partners, Inc.
Engineer: Phillippi Engineering
Date: 12/10/07

Gross Acreage: 29.00
No. of Units: n/a

						DEVELOPER COST	CREDITS
ENGINEERING							
Plan Check Fee	(5.0% of	\$100,000)	(1001.6121)	\$	5,000.00		
	(3.5% of	\$200,000)	(1001.6121)		7,000.00		
	(2.5% of	\$6,144,800)	(1001.6121)		153,620.00		
Inspection Fee	(4.0% of	\$250,000)	(1001.6104)		10,000.00		
	(3.5% of	\$750,000)	(1001.6104)		26,250.00		
	(3.0% of	\$5,444,800)	(1001.6104)		136,120.00		
Plan Check Fee Paid 8/15/07			(1001.6121)				\$ 137,244.00
Inspection Fee Paid 11/6/07			(1001.6104)				40,642.00
Improvement Agreement			(1001.6121)	\$	1,700.00	\$	
ENGINEERING SUBTOTAL				\$	339,690.00	\$	177,886.00
STREET SYSTEM							
Charges for work by City Forces:							
Seal Coat		(1001.5411.4)	231,875 SF @ \$	0.05	\$11,593.75		
Pavement Markers:		(1001.5411.4)					
Fire Hydrant (\$40 min.)			24 EA @ \$	8.00	192.00		
STREET SYSTEM SUBTOTAL					\$11,785.75		\$0.00
SEWER SYSTEM							
Charges for Work by City Forces:							
TV Inspection		(1701.6525)	4,932 LF @ \$	1.50	\$7,398.00		
TV Inspection Fee Paid 11/6/07		(1701.6525)	2,591 LF @ \$	1.50			\$3,886.50
SEWER SYSTEM SUBTOTAL					\$7,398.00		\$3,886.50
WATER SYSTEM							
Charges for work by City Forces:							
Ties to Existing System by City		(1801.6522)					
12" x 12" x 10" Tee in Harney Lane			2 @ \$	7,706.28	\$15,412.56		
WATER SYSTEM SUBTOTAL					\$15,412.56		\$0.00
STORM DRAIN SYSTEM							
Charges for Work by City Forces:							
TV Inspection		(1701.6525)	7,483 LF @ \$	1.50	\$11,224.50		
TV Inspection Paid 11/6/07		(1701.6525)	7,500 LF @ \$	1.50			\$11,250.00
(1) Storm Drain Permit		(1701.5394)	2 EA @ \$	156.00	312.00		
Compliance Inspections			12 EA @ \$	119.00	1,428.00		
Storm Drain Permit		(1701.5394)					1,740.00
Compliance Inspections Paid 11/6/07							
STORM DRAIN SYSTEM SUBTOTAL					\$12,964.50		\$12,990.00
ELECTRICAL SYSTEM							
To be billed separately by Electric Utility Department							
TOTAL AMOUNT OF BILLING SCHEDULE					\$387,250.81		\$194,762.50
NET AMOUNT TO BE PAID BY DEVELOPER TO CITY PRIOR TO PROJECT APPROVAL					\$192,488.31		

(1) Storm Drain Permit Compliance Inspections are required at least once a month during the wet season (October through April). The charges shown are an estimate based on one inspection per month over an estimated construction period spanning two (2) wet seasons. The fee will be adjusted, if necessary, when the improvements are complete and ready for acceptance by the City. Any additional fee must be paid prior to project acceptance.

(2) The amounts shown for deferred fees are those in effect at the time of execution of this agreement. The actual fees to be paid will be those in effect at the time of payment.

Development: Reynolds Ranch, Phase 1
Developer: Reynolds Ranch Partners, Inc.
Engineer: Philippi Engineering

Acres: 29.00
Date: 12/10/07

TOTAL COST OF PROJECT IMPROVEMENTS						A. DEVELOPER COST		B. COST OF CITY-FUNDED FACILITIES TO BE BUILT BY DEVELOPER	
Item	Description	Quantity	Unit	Price	Total	Quantity	Total	Quantity	Total
Street System									
1	Clearing & Grubbing	29	Acre	\$1,000.00	\$29,000.00	29	\$29,000.00		\$0.00
2	Roadway Excavation	16,420	CY	20.00	328,400.00	16,420	328,400.00		0.00
3	Compact Original Ground (0.50')	231,875	SF	0.20	46,375.00	231,875	46,375.00		0.00
4	Compact Original Ground (0.67')	9,150	SF	0.20	1,830.00	9,150	1,830.00		0.00
5	Compact Native Material (0.50')	231,875	SF	0.25	57,968.75	231,875	57,968.75		0.00
6	Aggregate Base, Class II (0.70')	231,875	SF	1.20	278,250.00	231,875	278,250.00		0.00
7	Aggregate Base, Class II (0.50') with Fabric	117,810	SF	0.80	94,248.00	117,810	94,248.00		0.00
8	Aggregate Base, Class II (0.33')	1,705	SF	0.60	1,023.00	1,705	1,023.00		0.00
9	Asphalt Concrete, Type B (0.60')	231,875	SF	2.00	463,750.00	231,875	463,750.00		0.00
10	Asphalt Concrete, Type B (0.29')	1,705	SF	1.35	2,301.75	1,705	2,301.75		0.00
11	Asphalt Concrete, Type B (0.25')	9,150	SF	1.25	11,437.50	9,150	11,437.50		0.00
12	Asphalt Overlay (0.10') (Stockton Street)	8,400	SF	0.50	4,200.00	8,400	4,200.00		0.00
13	Sawcut	2,158	LF	3.00	6,474.00	2,158	6,474.00		0.00
14	Grind (Pavement Overlap Only)	2,600	SF	0.20	520.00	2,600	520.00		0.00
15	Vertical Curb and Gutter	6,910	LF	22.00	152,020.00	6,910	152,020.00		0.00
16	Sidewalk	34,550	SF	5.50	190,025.00	34,550	190,025.00		0.00
17	Curb Return, without Handicap Ramp	4	LF	1,000.00	4,000.00	4	4,000.00		0.00
18	Curb Return, including Handicap Ramp	4	EA	2,500.00	10,000.00	4	10,000.00		0.00
19	Mid-block Handicap Ramp	1	EA	2,000.00	2,000.00	1	2,000.00		0.00
20	Concrete Subgrade Compaction	34,550	SF	2.50	86,375.00	34,550	86,375.00		0.00
21	Special Commercial Driveway	3	EA	5,000.00	15,000.00	3	15,000.00		0.00
22	Median Curb	10,321	LF	20.00	206,420.00	10,321	206,420.00		0.00
23	Raised Decorative Intersection	1	LS	50,000.00	50,000.00	1	50,000.00		0.00
24	Bus Turnout	3	EA	10,000.00	30,000.00	3	30,000.00		0.00
25	Dead End Barricade (Standard Plan 128)	5	EA	600.00	3,000.00	5	3,000.00		0.00
26	6" Asphalt Concrete Berm	645	LF	20.00	12,900.00	645	12,900.00		0.00
27	Remove Existing Pavement	24,225	SF	6.00	145,350.00	24,225	145,350.00		0.00
28	Remove Existing Curb & Gutter	970	LF	11.00	10,670.00	970	10,670.00		0.00
29	Street Name Sign & Post	2	EA	450.00	900.00	2	900.00		0.00
30	Street Lights (Mast Type 250 Watt)	54	EA	2,500.00	135,000.00	54	135,000.00		0.00
31	Survey Monument	7	EA	600.00	4,200.00	7	4,200.00		0.00
32	Traffic Signs	21	EA	450.00	9,450.00	21	9,450.00		0.00
33	Traffic Striping	15,000	LF	1.00	15,000.00	15,000	15,000.00		0.00
34	Traffic Signal Conduit	1	LS	5,000.00	5,000.00	1	5,000.00		0.00
35	Traffic Control	1	LS	15,000.00	15,000.00	1	15,000.00		0.00
36	Median Landscape & Irrigation	26,780	SF	10.00	267,800.00	26,780	267,800.00		0.00
37	Frontage Landscape & Irrigation	35,560	SF	10.00	355,600.00	35,560	355,600.00		0.00
38	Street Trees	309	EA	200.00	61,800.00	309	61,800.00		0.00
39	Irrigation Conduit	1	LS	5,000.00	5,000.00	1	5,000.00		0.00
40	Stabilized Construction Entrance	2	EA	1,000.00	2,000.00	2	2,000.00		0.00
41	Concrete Washout Structure	1	EA	4,000.00	4,000.00	1	4,000.00		0.00
42	Erosion Control	29	Acre	2,000.00	58,000.00	29	58,000.00		0.00
					Subtotal		\$3,182,288.00	Subtotal Street System	\$0.00
								10% Engineering & Administration	0.00
								Total Street System	\$0.00

TOTAL COST OF PROJECT IMPROVEMENTS						A. DEVELOPER COST		B. COST OF CITY-FUNDED FACILITIES TO BE BUILT BY DEVELOPER	
Item	Description	Quantity	Unit	Price	Total	Quantity	Total	Quantity	Total
Storm Drain System									
1	12" Storm Drain Pipe (PVC & RCP)	608	LF	\$35.00	\$21,280.00	608	\$21,280.00		\$0.00
2	15" Storm Drain Pipe (PVC)	391	LF	45.00	17,595.00	391	17,595.00		0.00
3	18" Storm Drain Pipe (PVC)	922	LF	55.00	50,710.00	922	50,710.00		0.00
4	24" Storm Drain Pipe (RCP)	1,154	LF	65.00	75,010.00	1,154	75,010.00		0.00
5	36" Storm Drain Pipe (CIP)	726	LF	80.00	58,080.00	726	58,080.00		0.00
6	48" Storm Drain Pipe (CIP)	652	LF	150.00	97,800.00	652	97,800.00		0.00
7	66" Storm Drain Pipe (CIP)	2,980	LF	160.00	476,800.00	2,980	476,800.00		0.00
8	53" x 83" Storm Drain Pipe (RCP)	50	LF	300.00	15,000.00	50	15,000.00		0.00
9	48" Storm Drain Manhole	12	EA	3,000.00	36,000.00	12	36,000.00		0.00
10	Precast Storm Drain Structure	3	EA	30,000.00	90,000.00	3	90,000.00		0.00
11	Saddle Storm Drain Manhole	7	EA	4,000.00	28,000.00	7	28,000.00		0.00
12	Side Inlet Catch Basin	15	EA	2,000.00	30,000.00	15	30,000.00		0.00
13	Drop Inlet Catch Basin w/AC Apron	1	EA	1,500.00	1,500.00	1	1,500.00		0.00
14	Storm Drain Stub with Plug	7	EA	1,500.00	10,500.00	7	10,500.00		0.00
15	Chainlink Fence	2,559	LF	15.00	38,385.00	2,559	38,385.00		0.00
16	Pipe Gate	2	EA	3,000.00	6,000.00	2	6,000.00		0.00
17	Headwall	1	EA	40,000.00	40,000.00	1	40,000.00		0.00
18	Temporary Storm Drain Inlet & Pipe	6	EA	2,500.00	15,000.00	6	15,000.00		0.00
19	Basin Excavation	99,500	CY	3.00	298,500.00	99,500	298,500.00		0.00
	Subtotal				\$1,406,160.00	Subtotal	\$1,406,160.00	Subtotal Storm Drain System	\$0.00
								10% Engineering & Administration	0.00
								Total Storm Drain System	\$0.00
Sanitary Sewer System									
1	8" Sanitary Sewer Pipe (PVC)	1,074	LF	\$22.00	\$23,628.00	1,074	\$23,628.00		\$0.00
2	6" Sanitary Sewer Pipe (PVC)	122	LF	12.00	1,464.00	122	1,464.00		0.00
3	6" Sanitary Sewer Pipe (DIP) (Force)	2,341	LF	60.00	140,460.00	2,341	140,460.00		0.00
4	12" Sanitary Sewer Pipe (PVC)	716	LF	30.00	21,480.00	716	21,480.00		0.00
5	15" Sanitary Sewer Pipe (PVC)	679	LF	40.00	27,160.00	679	27,160.00		0.00
6	Sanitary Sewer Manhole (48")	8	EA	2,500.00	20,000.00	8	20,000.00		0.00
7	Sanitary Service with Cleanout	8	EA	550.00	4,400.00	8	4,400.00		0.00
8	Temporary Lift Station	1	EA	100,000.00	100,000.00	1	100,000.00		0.00
9	Connect to Existing Sanitary Sewer	1	EA	5,000.00	5,000.00	1	5,000.00		0.00
	Subtotal				\$343,592.00	Subtotal	\$343,592.00	Subtotal Sanitary Sewer System	\$0.00
								10% Engineering & Administration	0.00
								Total Sanitary Sewer System	\$0.00
Water System									
1	8" Water Pipe (PVC) (Recycled Water)	7,284	LF	\$40.00	\$291,360.00	7,284	\$291,360.00		\$0.00
2	8" Gate Valve (Recycled Water)	5	EA	1,200.00	6,000.00	5	6,000.00		0.00
3	10" Water Pipe (PVC)	6,525	LF	45.00	293,625.00	6,525	293,625.00		0.00
4	10" Gate Valve	36	EA	1,500.00	54,000.00	36	54,000.00		0.00
5	Fire Hydrant Assembly	24	EA	3,000.00	72,000.00	24	72,000.00		0.00
6	Blowoff (temporary)	5	EA	400.00	2,000.00	5	2,000.00		0.00
7	Connect to Existing Water	2	EA	5,000.00	10,000.00	2	10,000.00		0.00
8	3" Landscape Service	10	EA	4,000.00	40,000.00	10	40,000.00		0.00
	Subtotal				\$768,985.00	Subtotal	\$768,985.00	Subtotal Water System	\$0.00
								10% Engineering & Administration	0.00
								Total Water System	\$0.00
	Total				\$5,701,025.00	Total	\$5,701,025.00		
Total Construction Cost Subject to Engineering Fee Calculation (A. Developer Cost)							\$5,701,025.00		
Contingencies (10% of Construction Costs)							\$570,102.50		
Construction Engineering & Staking @ 3% ±							\$171,672.50		
As-built Plans & Certifications							\$2,000.00		
TOTAL COST FOR ENGINEERING FEE CALCULATION						A. Total	\$6,444,800.00	B. Total	\$0.00

TOTAL COST OF PROJECT IMPROVEMENTS						A. DEVELOPER COST		B. COST OF CITY-FUNDED FACILITIES TO BE BUILT BY DEVELOPER	
<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Price</u>	<u>Total</u>	<u>Quantity</u>	<u>Total</u>	<u>Quantity</u>	<u>Total</u>

TOTAL IMPROVEMENT SECURITY AMOUNTS:

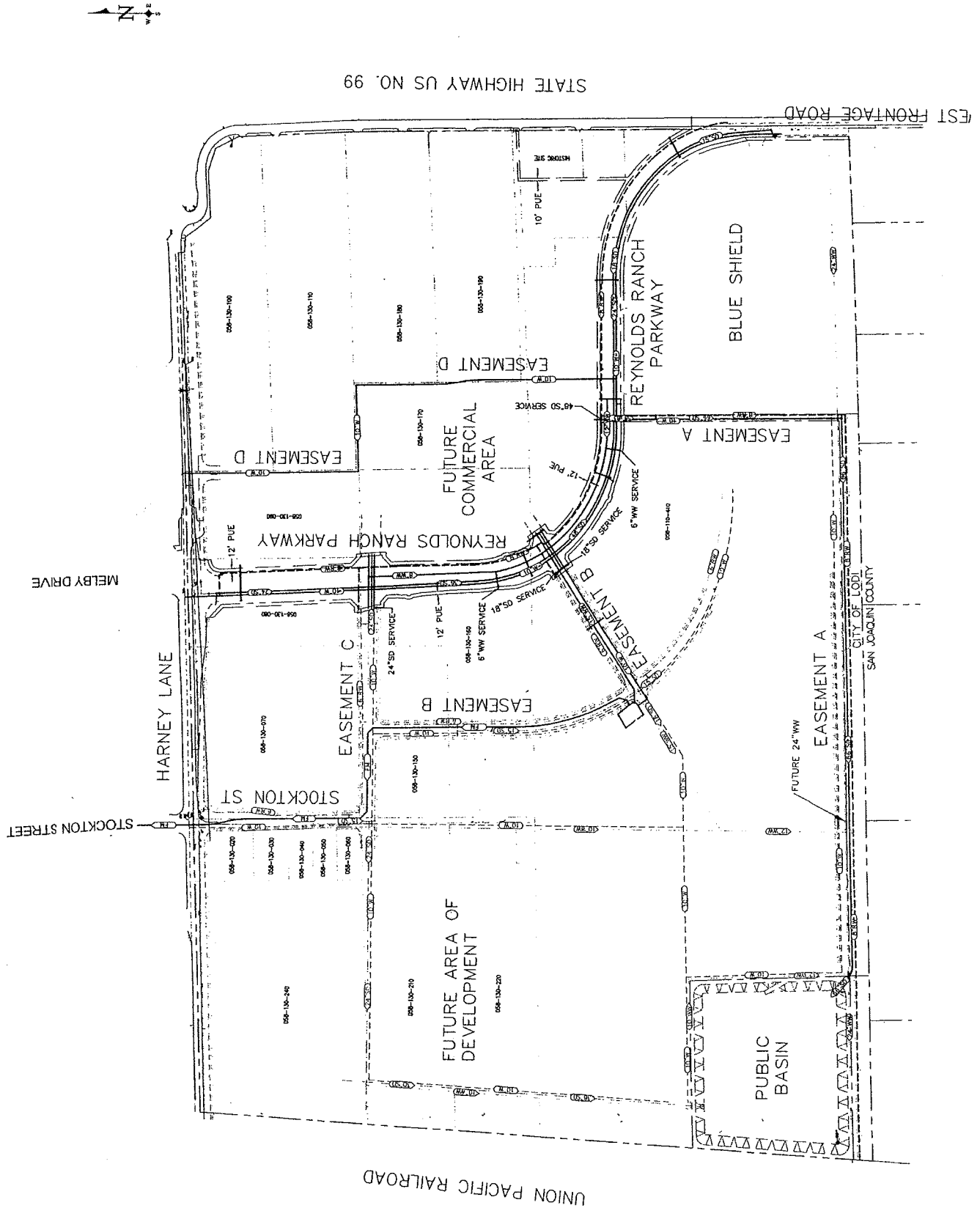
Faithful Performance:	100% of A & B				\$6,444,800.00
Labor & Materials:	50% of A & B				<u>\$3,222,400.00</u>



CITY OF LODI

PUBLIC WORKS DEPARTMENT

Reynolds Ranch Project Phase 1 Exhibit A



RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
IMPROVEMENT AGREEMENT FOR THE PUBLIC
IMPROVEMENTS FOR REYNOLDS RANCH, PHASE 1

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Improvement Agreement for the Public Improvements for Reynolds Ranch, Phase 1; and

BE IT FURTHER RESOLVED that the City Council hereby directs the City Manager and City Clerk to execute the Improvement Agreement on behalf of the City of Lodi.

Dated: December 17, 2007

=====

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Cancel the January 2, 2008, Regular City Council Meeting

MEETING DATE: December 19, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: Cancel the January 2, 2008, Regular City Council meeting.

BACKGROUND INFORMATION: Due to the fact that the January 2, 2008, Regular City Council meeting falls on the day after the New Year's holiday, it is recommended that the meeting be canceled.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Randi Johl
City Clerk

RJ/JMP

APPROVED: _____
Blair King, City Manager

Comments by the public on non-agenda items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Comments by the City Council Members on non-agenda items



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to Consider Adopting Resolution Approving Paratransit Service Policy and Procedures and Implementing Proposed Changes to Existing Dial-A-Ride Services

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Conduct a public hearing to consider adopting a resolution approving Paratransit Service Policy and Procedures and implementing proposed changes to existing Dial-A-Ride services.

BACKGROUND INFORMATION: The City of Lodi currently provides transit service as described in Table 1 (attached). In accordance with the Americans with Disabilities Act (ADA), the City is required to offer Paratransit (Dial-A-Ride, DAR) services for those unable to access the fixed route system. While the current system serves those transit riders who are unable to ride the fixed route, the system does not require riders to be certified ADA eligible (who would be given priority over other Dial-A-Ride passengers).

During the last Federal Transit Administration Triennial Review, the reviewers found that the City of Lodi needs to develop and implement an ADA Paratransit system capable of certifying ADA eligible patrons and tracking their ride requests (Attachment 1). The existing Dial-A-Ride service can be offered in addition to the ADA Paratransit service but is not required. Staff is recommending that the Dial-A-Ride service continue, however, we are recommending that the service be limited to reservations only during the hours that the fixed route operates. Demand responsive service would continue to operate as it does now outside of fixed route hours of operation.

Staff has drafted the policies and procedures and made them available to the public at two forums held on December 5th and 6th. Comments received from those forums will be presented at the Public Hearing. The policy is shown in the attached resolution and the procedures generally are:

- Upon request, passengers will receive a Paratransit Application and Physician's Verification form. Passengers will complete the application and have their physician sign the verification form.
- Passengers will submit the application and physician's verification form to the City of Lodi Public Works Department, Transportation Division.
- Staff will review the application, confirm the physician's verification by telephone, and issue an eligibility letter and card to those who are certified.

If Council approves adoption of the new policies and procedures, staff anticipates an effective date of February 1, 2008.

APPROVED: _____
Blair King, City Manager

FISCAL IMPACT: The addition of the Paratransit service is not expected to significantly affect ridership or costs. The proposed change to reservations-based travel for Dial-A-Ride should increase efficiency, allowing the City to provide service to the same passengers with a reduction in revenue service hours billed by the Contractor.

FUNDING AVAILABLE: None required at this time.

Richard C. Prima, Jr.
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager

RCP/TMF/pmf

Attachments

Existing Schedule of Services

Service Type	Weekday Operating Hours	Saturday Operating Hours	Sunday Operating Hours	Fare (General Public/ Senior-Disabled-Medicare)
Fixed Route	6:15 am-6:54 pm	7:45 am-3:09 pm	7:45 am-3:09 pm	\$1.00/ \$0.50
Dial-A-Ride (Reservations)	6:15 am-9:00 pm	7:45 am-6:00 pm	7:45 am-4:00 pm	\$5.00/ \$1.50 (\$1.00 surcharge outside of Lodi)
Dial-A-Ride (Demand)	8:00 am-9:00 pm	8:00 am-5:00 pm	8:00 am-3:00 pm	\$5.00/ \$1.50 (\$1.00 surcharge outside of Lodi)

* Reservations available the day before, no reservations taken on Holidays.

Proposed Schedule of Services

Service Type	Weekday Operating Hours	Saturday Operating Hours	Sunday Operating Hours	Fare (General Public/ Senior-Disabled-Medicare)
Fixed Route	6:15 am-6:54 pm	7:45 am-3:09 pm	7:45 am-3:09 pm	\$1.00/ \$0.50
VineLine (New ADA Service)	<i>6:15 am-7:00 pm</i>	<i>7:45 am-3:15 pm</i>	<i>7:45 am-3:15 pm</i>	<i>\$1.50 (No General Public) (\$1.00 surcharge outside of Lodi)</i>
Dial-A-Ride (Reservations Only)	6:15 am-9:00 pm	7:45am-6:00 pm	7:45 am-4:00 pm	\$5.00/ \$1.50 (\$1.00 surcharge outside of Lodi)
Dial-A-Ride (Demand Response)	<i>7:00 pm-9:00 pm</i>	<i>3:00 pm-5:00 pm</i>	<i>3:00 pm-4:00 pm</i>	<i>\$5.00/ \$1.50 (\$1.00 surcharge outside of Lodi)</i>

* Reservations available the day before, VineLine passengers will be able to make next day service requests on Holidays.

Note: Changes shown in bold italics.

Federal Transit Administration Review Findings for ADA

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of complementary paratransit service.

Findings: During this Triennial Review of the City of Lodi, deficiencies were found with the FTA requirements for ADA.

The City of Lodi, through its third party contractor, MV Transportation, operates a Fixed Route service and Dial-A-Ride. The City's public information refers to Dial-A-Ride as an open to the general public, demand response transit system. The City does not have an eligibility process to ensure only persons who meet the regulatory criteria are regarded as ADA eligible. Further, the City has not developed an appeals process. A review of the City's public information does not contain information sufficient to describe its ADA complementary paratransit service and the requirements to determine eligibility.

Corrective Action and Schedule: Within 30 days, the City is to submit a letter to the FTA Region IX Civil Rights Officer (CRO) expressing its intent to comply with the Federal Department of Transportation's requirements to provide paratransit service.

Within 60 days, the City is to provide the CRO with a draft management plan on how it will come into compliance with the DOT requirements for paratransit service. At a minimum, the plan should address how the City will:

- Implement eligibility and appeals processes
- Communicate to the public its paratransit and eligibility requirements
- Develop internal management controls to ensure the provision of service, service area, response time, fares, days and hours of service, trip purpose and subscription service are in accordance with the ADA Complementary Paratransit service requirements
- Develop procedures to ensure the City has adequate capacity to meet demand
- Develop procedures to ensure the City has adequate oversight of the contracted paratransit services

Within 120 days, the City is to submit to the CRO evidence of its eligibility and appeals processes, public information and management procedures.

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING PARATRANSIT SERVICE POLICY AND
PROCEDURES AND IMPLEMENTING CHANGES TO
EXISTING DIAL-A-RIDE SERVICES

=====

WHEREAS, in accordance with the Americans with Disabilities Act (ADA), the City of Lodi is required to offer Paratransit (Dial-A-Ride, DAR) services for those unable to access the fixed route system; and

WHEREAS, during the last Federal Transit Administration Triennial Review, the reviewers found that the City of Lodi needs to develop and implement an ADA Paratransit system capable of certifying ADA eligible patrons and tracking their ride requests; and

WHEREAS, staff recommends that Dial-A-Ride service be limited to reservations only during the hours that the fixed route operates and that demand responsive service continue to operate as it presently does outside of fixed route hours of operation.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Paratransit Service Policy and Procedures, as shown on Exhibit A attached hereto; and

BE IT FURTHER RESOLVED that the changes to the existing Dial-A-Ride services shall be implemented on February 1, 2008.

Dated: December 19, 2007

=====

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____

COMPLEMENTARY PARATRANSIT POLICY
December 19, 2007

INTRODUCTION

This policy regarding Complementary Paratransit services by the City of Lodi (under agreement with our operator) applies to service which, in accordance with the Americans with Disabilities Act of 1990, is required by all operators of Fixed Route service, which includes the City of Lodi.

POLICY

- I. The City of Lodi shall offer Complementary Paratransit services during all hours in which the City of Lodi Fixed Route service is in operation.
- II. Complementary Paratransit services shall be offered in accordance with all Americans with Disabilities Act and Federal Transit Administration requirements in regards to access, fares and service level.
- III. Fares for service will be as set from time-to-time by the City Council by resolution.
- IV. The City's Public Works Department Transportation Division shall oversee the submittal of applications, their review and any and all approvals. All monitoring data in accordance with Federal Transit Administration requirements shall be provided by the operations contractor and monitored by Transportation Division staff. Appeals of Public Works Department's decisions shall be to the City Manager.
- V. Any visitors presenting an ADA eligibility card issued by another transit system shall be eligible to utilize the City system for up to 30 days.
- VI. Reservation Only – Reservations must be received by close of business the day prior to the requested service day.



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

**SUBJECT: PUBLIC HEARING TO CONSIDER RESOLUTION APPROVING
PARATRANSIT SERVICE POLICY AND PROCEDURES AND
IMPLEMENTING PROPOSED CHANGES TO EXISTING DIAL-A-
RIDE SERVICES**

PUBLISH DATE: SATURDAY, DECEMBER 1, 2007

LEGAL AD


TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO:

RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: TUESDAY, NOVEMBER 27, 2007

**ORDERED BY: RANDI JOHL
CITY CLERK**


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

CYNTHIA MURPHY
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at _____(time) on _____(date) _____(pages)
LNS _____ Phoned to confirm receipt of all pages at _____(time) _____JLT _____DRC _____JMP (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER RESOLUTION APPROVING PARATRANSIT SERVICE POLICY AND PROCEDURES AND IMPLEMENTING PROPOSED CHANGES TO EXISTING DIAL-A-RIDE SERVICES

On Tuesday, November 27, 2007, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider resolution approving Paratransit Service Policy and Procedures and implementing proposed changes to existing Dial-A-Ride services (attached and marked as Exhibit A) was posted at the following locations:

Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 27, 2007, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

CYNTHIA MURPHY
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: December 19, 2007

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl,
City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, December 19, 2007**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Adopt resolution approving Paratransit Service Policy and Procedures and implementing proposed changes to existing Dial-A-Ride services.

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Randi Johl
City Clerk

Dated: November 21, 2007

Approved as to form:

D. Stephen Schwabauer
City Attorney



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Application for Leave to Present Late Claim for Carlos Tobar, Date of Loss 3/18/07

MEETING DATE: December 19, 2007

PREPARED BY: Randi Johl, City Clerk

RECOMMENDED ACTION: Deny, by motion action, the following Application for Leave to Present Late Claim:

Mr. Carlos Tobar
Date of Loss: March 18, 2007
Claim Filed: October 12, 2007

BACKGROUND INFORMATION: Mr. Tobar presented a claim for alleged property damage resulting from a tree limb falling on his vehicle. The claim was filed on October 12, 2007, approximately 3 ½ weeks after the expiration of the relevant statute. The statute, as set forth in the Government Code, specifically requires that the claim be filed within a six-month period from the date of occurrence. Mr. Tobar has not shown due diligence in attempting to file the claim in a timely manner and ignorance of the law does not warrant granting the application. It is, therefore, respectfully requested that the City Council deny the Application for Leave to Present a Late Claim.

FISCAL IMPACT: \$1,200 (Amount of Claim).

FUNDING AVAILABLE: Not Applicable.

Randi Johl
City Clerk

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Post for Expiring Terms on the Lodi Senior Citizens Commission, San Joaquin County Mosquito and Vector Control District, and the Site Plan and Architectural Review Committee

MEETING DATE: December 19, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: Direct the City Clerk to post for the expiring terms on the Lodi Senior Citizens Commission, San Joaquin County Mosquito and Vector Control District, and the Site Plan and Architectural Review Committee (SPARC).

BACKGROUND INFORMATION: There are several terms due to expire on the Lodi Senior Citizens Commission, San Joaquin County Mosquito and Vector Control District, and SPARC. It is, therefore, recommended that the City Council direct the City Clerk to post for the expiring terms below.

Lodi Senior Citizens Commission

Rose Lazzaro	Term to expire December 31, 2007
Terri Whitmire	Term to expire December 31, 2007

San Joaquin County Mosquito and Vector Control District

Jack Fiori	Term to expire December 31, 2007
------------	----------------------------------

Site Plan and Architectural Review Committee (SPARC)

Donald P. Kundert	Term to expire January 1, 2008
Roger Stafford	Term to expire January 1, 2008

Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application. The City Council is requested to direct the City Clerk to make the necessary postings.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk

RJ/JMP

APPROVED: _____
Blair King, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Monthly Protocol Account Report

MEETING DATE: December 19, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: None required, information only.

BACKGROUND INFORMATION: The City Council, at its meeting of July 19, 2000, adopted Resolution No. 2000-126 approving a policy relating to the City's "Protocol Account." As a part of this policy, it was directed that a monthly itemized report of the "Protocol Account" be provided to the City Council.

Attached please find the cumulative report through November 30, 2007.

FISCAL IMPACT: N/A

FUNDING AVAILABLE: See attached.

Randi Johl
City Clerk

RJ/JMP

Attachment

APPROVED: _____
Blair King, City Manager

PROTOCOL ACCOUNT SUMMARY
FISCAL YEAR 2007-08

Cumulative Report through November 30, 2007

Date	Vendor	Description	Amount	Balance
				Starting Bal. \$12,000.00
7/19/07	Smart & Final	Cookies and water for special joint meeting w/RDA and Planning Commission (7/19/07)	\$ 34.98	
8/8/07	Paper Direct	Invitation paper for B/C Reception	61.93	
8/21/07	Arthur's Party World	Bags & ribbon for B/C Reception favors	30.69	
8/21/07	Target	Candy for B/C Reception favors	14.98	
8/21/07	UPS Store	Copies of covers for B/C Reception program	37.50	
8/29/07	Arthur's Party World	Confetti for tables for B/C Reception	16.38	
9/4/07	Lakewood Liquors	Wine for the B/C Reception	158.91	
9/5/07	Touch of Mesquite	Catering services for the B/C Reception	1,830.67	
9/14/07	Baudville	Favors for the B/C Reception	287.25	
9/14/07	Presenta Plaque	Presentation boards for certificates of recognition	222.89	
10/1/07	Weigums Nursery	Centerpieces for B/C Reception	123.64	
10/24/07	C. Sanders Emblem	Customized Lodi Cloisonne pins (round, purple City pins)	364.34	
11/30/07	Lasting Impressions	Engraving – 2 plates for Community Service Award perpetual plaque	25.50	
11/30/07	Lasting Impressions	Mayor's plaque and 2 Community Service Award plaques	141.21	
			<i>Total Expenditures:</i> (\$ 3,350.87)	Ending Bal. \$8,649.13

Prepared by: JMP



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Presentation of a Proposed Art in Public Places Art Piece by Artists Rowland Cheney and Chris Kralj

MEETING DATE: December 19, 2007

PREPARED BY: James M. Rodems

RECOMMENDED ACTION: No action taken at this time.

BACKGROUND INFORMATION: Rowland Cheney and Chris Kralj will introduce a project that was first formally presented to the Art Advisory Board on August 22. "Celebrating the Harvest" is a bronze sculpture piece celebrating the early farmers and vintners. A makette will be displayed at the meeting. The estimated cost is \$145,000.00 including installation on a concrete base. The Arts Commission will provide Council a list of potential locations for discussion. Installation does not include utility runs required for lighting.

FISCAL IMPACT: \$145,000.00+

FUNDING AVAILABLE: As of October 31, 2007, there is a balance of \$483,577.00 in the AiPP account number 01214. To date, there is an additional \$35,000.00 posted against this account, leaving a net of \$448,577.00.

James M. Rodems
Community Center Director

JMR

APPROVED: _____
Blair King, City Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Presentation of June 30, 2007 Financial Condition for All City of Lodi Funds

MEETING DATE: December 19, 2007 City Council Meeting

PREPARED BY: James R. Krueger, Deputy City Manager

RECOMMENDED ACTION: Receive presentation of June 30, 2007 financial condition for all City of Lodi funds.

BACKGROUND INFORMATION: The annual audit of the City's fiscal year 2007/08 financial records has been completed by the audit firm of Macias Gini & O'Connell. Typically, the auditors present their audit report and the Comprehensive Annual Financial Report (CAFR) shortly after the completion of their field work. However, the audit report and the CAFR are not ready to be presented until the first City Council meeting in January, 2008. Although the audit report and the CAFR are not yet available, the basic financial information has been audited and is available for review at this time.

Attached are the primary financial statements, which will be included in the CAFR, to be presented in January. The following highlights are based on these primary financial statements:

- As of June 30, 2007 the City's financial condition continues to improve.
 - Total unrestricted cash and investments stand at \$31.1 million and have increased by \$3.5 million since June 30, 2006
 - Net Assets (term used in government accounting to measure financial condition) stands at approximately \$234 million. This is an increase of \$27.3 million from June 30, 2006.
 - Net investment in fixed assets (Buildings, major facilities and other infrastructure) stands at approximately \$205 million, an increase of about \$16.8 million from June 30, 2006
- The unreserved General Fund Balance is approximately \$5.2 million* as of June 30, 2007. Revenues were higher than budget estimates by approximately \$1.7 million. All departments were under their final budget amounts and had savings in comparison with budgets as follows:
 - General Government (City Clerk, City Manager and Internal Services) saved \$574,693
 - Police and Fire saved \$891,710
 - Public Works saved \$127,206
 - Library saved \$69,847
 - Parks and Recreation saved \$258,064

***Staff will recommend upon mid-year budget adjustment, a transfer of \$1 million to the Vehicle Replacement Fund.**

APPROVED:

Blair King, City Manager

- The Enterprise Funds (funds that are accounted for and operated like a business) had unreserved Fund Balances (Cash and other related amounts) as of June 30, 2007 as follows:
 - Electric Utility approximately \$5.5 million
 - Wastewater Utility approximately \$4.9 million
 - Water Utility had a deficit of approximately \$ (.5) million
 - Transit Fund approximately \$.2 million
- Special Revenue Funds (those funds which have revenues that are designated for special purposes) had unreserved fund balances as of June 30, 2007 as follows:
 - Public Safety special revenue fund \$188,675
 - Community Development Block Grant fund \$0
 - Transportation fund \$89,867
 - Community Development Fund had a deficit of \$(173,458)
 - Streets fund approximately \$6.5 million
- Capital Projects Funds (funds established for major capital facilities or equipment that are related to general government operations) had unreserved fund balances as of June 30, 2007 as follows:
 - Vehicle and equipment approximately \$1.3 million*
 - Library \$12,677
 - Subdivision capital projects \$300,339
 - Hutchins Square \$2,181
 - General Capital Outlay Fund (primarily funds paid to the City of Lodi by developers for mitigation of impacts and to be used to build major capital facilities) approximately \$ 4.5 million.
 - Lodi Lake \$46,287
- Internal Service Funds (funds which are used to account for self insurance and maintaining vehicles owned by the city) had unreserved cash deficits as of June 30, 2007 as follows:
 - Fleet services \$(104,701)
 - Claims and Benefits (workers compensation and liability self insurance costs accounted for in separate funds) deficit of \$(.8) million
- Other funds (those not accounted for in the categories already enumerated) had balances as of June 30, 2007 as follows:
 - Special assessments (amounts collected and held for use in lighting and landscape districts throughout the city \$674,686
 - Library Special Purpose Trust \$846,765
 - Hutchins Square Bequest \$1,386

A more thorough review of the results of operations will be made during the City Council meeting as part of a power point presentation to be made at that time.

***See General Fund**

FISCAL IMPACT: Not Applicable.

James R. Krueger, Deputy City Manager

June 30, 2007 Financial Report

- **Overall Financial Condition** continues to show improvement.
 - Unrestricted cash and investments increased by \$3.5 million to a balance of **\$31.1 million** as of June 30, 2007
 - Net Assets increased by **\$27.3 million**, Total Revenues + \$10.7 million, Total expenses +\$2.5 million
 - Capital assets +\$16.8 million
 - Restricted assets +\$.8 million
 - Unrestricted assets +\$9.7 million

June 30, 2007 Financial Report

■ General Fund

- Unreserved Fund Balance **\$ 5,175,522, net increase of \$1.9 million**
- Revenues of **\$40,456,199**
 - Taxes exceeded budget estimates by about \$1 million
 - Intergovernmental revenues exceeded budget estimates by about \$.9 million

June 30, 2007 Financial Report

(General Fund continued)

- Actual Expenditures **\$40,041,238**, budget of \$41,962,758
 - General Government saved \$574,693
 - Public Safety saved \$891,710
 - Public Works saved \$127,206
 - Library saved \$69,847
 - Parks and Recreation saved \$258,064
- Net transfers to the General Fund of \$1,535,500, same as budgeted

June 30, 2007 Financial Report

■ **Electric Utility** Unreserved Fund Balance

\$5,514,496*

- Revenues \$65.8 million
- Expenditures \$63.6 million
- Net Interest income & (expense)
\$ (1.9) million
- Cost of services transfer \$2.6 million

* Cash balance of \$5,162,284 +Advances Receivable \$3.7 million, -
July 3, 2007 debt repayment of \$4.0 million + \$.7 million from
unspent debt proceeds received on July 3, 2007.

June 30, 2007 Financial Report

- **Wastewater** Utility Unreserved Fund Balance
\$ 4,956,069*
 - Revenues \$8.5 million
 - Expenses \$7.3 million
 - Net interest expense \$.7 million
 - Net transfer in \$1.3 million and capital contributed of \$11.5 million

*Cash \$3,000,445 plus July 3, 2007 reimbursement from debt proceeds \$1,955,624

June 30, 2007 Financial Report

- **Water Utility Unreserved Fund Balance \$(475,262)***
 - Revenues \$10.0 million
 - Expenses \$9.8 million
 - Other income \$6.8 million
 - Capital contributions \$7.3 million
 - **Transfer to Wastewater \$2.3 million**, Cost of services transfer of 1.0 million
- * Due to other funds of \$475,262 is reflected as a negative amount of fund balance

June 30, 2007 Financial Report

■ **Transit** Unreserved Fund Balance **\$213,212***

- Revenues \$400,826
- Expensed \$3,576,807
- Operating Grants \$2,621,063
- Other revenue 113,971
- Capital Contributions \$1,142,763
- * Cash balance of \$213,212

June 30, 2007 Financial Report

- **Special Revenue Funds-Unreserved Fund Balances**
 - Public Safety Special Revenue \$188,675
 - CDBG \$0 balance
 - Transportation \$89,867
 - Community Development Fund **\$(173,458)**
 - Net deficit for 06/07 of \$245,716
 - Streets Fund **\$6,546,231**
 - Net increase \$1.3 million

June 30, 2007 Financial Report

- **Capital Projects** Unreserved Fund Balances
 - Vehicle and Equipment Replacement **\$1,291,194**
 - Library project \$12,677
 - Subdivision capital project fund \$300,339
 - Hutchins Square \$2,181
 - Capital Outlay reserve funds **\$4,547,189**
 - Primarily Impact Mitigation funds
 - Lodi Lake \$46,287

June 30, 2007 Financial Report

- Internal Service Funds-Unreserved Fund Balances
 - Fleet services \$(104,701)
 - Claims and Benefits Funds \$(813,142)
 - Primarily this fund reflects workers compensation and general liability self insurance activities and shows an improvement of \$2.2 million from the prior year

June 30, 2007 Financial Report

■ Other Funds-Balances

- Special Assessments assets and obligations = \$674,686 at June 30, 2007
- Library Special Purpose Trust Fund \$846,765
- Hutchins Square Bequest \$1,386

City of Lodi's Net Assets

129

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Assets:						
Current and other assets	\$ 32,649,468	26,306,575	82,844,456	85,587,439	\$ 115,493,524	111,894,014
Capital assets	<u>135,878,115</u>	<u>137,535,891</u>	<u>157,655,799</u>	<u>136,816,229</u>	<u>293,533,914</u>	<u>274,352,120</u>
Total assets	<u>168,527,183</u>	<u>163,842,466</u>	<u>240,500,255</u>	<u>222,403,668</u>	<u>409,027,438</u>	<u>386,246,134</u>
Liabilities:						
Long-term liabilities outstanding	41,842,787	42,911,609	119,527,995	123,232,209	161,370,782	166,143,818
Other liabilities	<u>4,793,639</u>	<u>3,670,776</u>	<u>7,882,992</u>	<u>8,828,157</u>	<u>12,676,631</u>	<u>12,498,933</u>
Total liabilities	<u>46,636,426</u>	<u>46,582,385</u>	<u>127,410,987</u>	<u>132,060,366</u>	<u>174,047,413</u>	<u>178,642,751</u>
Net assets:						
Invested in capital assets, net of related debt	110,775,646	111,572,441	95,078,319	77,493,888	205,853,965	189,066,329
Restricted	15,044,403	14,525,637	11,292,585	10,969,285	26,336,988	25,494,922
Unrestricted	<u>(3,929,292)</u>	<u>(8,837,997)</u>	<u>6,718,364</u>	<u>1,880,129</u>	<u>2,789,072</u>	<u>(6,957,868)</u>
Total net assets	\$ <u>121,890,757</u>	<u>117,260,081</u>	<u>113,089,268</u>	<u>90,343,302</u>	\$ <u>234,980,025</u>	<u>207,603,383</u>

CITY OF LODI
STATEMENT OF NET ASSETS
June 30, 2007

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 22,744,481	8,375,941	\$ 31,120,422
Restricted assets	1,750,204	29,871,849	31,622,053
Accounts receivable, net	3,606,321	13,842,494	17,448,815
Property tax receivable	1,901,316		1,901,316
Interest receivable	201,303	65,597	266,900
Internal balances	(749,911)	749,911	
Due from other governmental agencies	1,911,215	970,061	2,881,276
Loan receivable	1,084,000		1,084,000
Advance receivable		4,790,663	4,790,663
Inventory	137,931	1,701,197	1,839,128
Other assets	62,924	5,627	68,551
Deferred charges		22,471,116	22,471,116
Capital assets, net:			
Nondepreciable	26,823,990	31,616,087	58,440,077
Depreciable, net	109,054,125	126,039,712	235,093,837
TOTAL ASSETS	<u>168,527,899</u>	<u>240,500,255</u>	<u>409,028,154</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,146,437	4,295,437	7,441,874
Accrued salaries and wages	1,364,788		1,364,788
Accrued interest	283,130	2,348,162	2,631,292
Unearned revenue		1,239,393	1,239,393
Long-term liabilities:			
Due within one year	5,854,889	4,133,452	9,988,341
Due in more than one year	35,987,898	115,394,543	151,382,441
TOTAL LIABILITIES	<u>46,637,142</u>	<u>127,410,987</u>	<u>174,048,129</u>
NET ASSETS			
Invested in capital assets, net of related debt	110,814,721	97,960,684	208,775,405
Restricted for:			
Capital projects	13,011,928		13,011,928
Debt service	1,749,214	-	1,749,214
Other purposes	283,261	8,710,994	8,994,255
Unrestricted (deficit)	(3,968,367)	6,417,590	2,449,223
TOTAL NET ASSETS	<u>\$ 121,890,757</u>	<u>113,089,268</u>	<u>\$ 234,980,025</u>

City of Lodi's Changes in Net Assets

131

	Governmental Activities		Business-type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues						
Program revenues:						
Charges for services	\$ 4,392,227	4,717,215	84,772,926	76,768,433	\$ 89,165,153	81,485,338
Operating grants and contributions	2,588,592	2,586,677	2,621,063	3,376,995	5,209,655	5,963,672
Capital grants and contributions	6,934,023	14,630,848	19,983,760	11,145,804	26,917,783	25,776,652
General revenues:						
Property taxes	9,523,684	8,030,641			9,523,684	8,030,641
Other taxes	11,070,609	10,063,090			11,070,609	10,063,090
Grants and contributions not restricted to specific programs	14,771,545	14,214,678			14,771,545	14,214,678
Litigation - environmental lawsuits proceeds			6,222,568	6,700,399	6,222,568	6,700,399
Other	1,292,149	1,340,239	4,128,972	4,063,465	5,421,121	5,403,803
Total revenues	<u>50,572,829</u>	<u>55,583,388</u>	<u>117,729,289</u>	<u>102,055,096</u>	<u>168,302,118</u>	<u>157,631,603</u>
Expenses						
General government	7,609,063	9,746,613			7,609,063	9,746,613
Public protection	23,327,792	22,104,641			23,327,792	22,104,641
Public works	10,599,292	13,228,998			10,599,292	13,228,998
Community development	2,130,349	2,290,412			2,130,349	2,290,412
Library	1,630,145	1,484,793			1,630,145	1,484,793
Parks and recreation	4,171,750	4,113,772			4,171,750	4,113,772
Interest on long-term debt	1,201,086	1,233,982			1,201,086	1,233,982
Electric			67,533,822	63,779,870	67,533,822	63,779,870
Wastewater			9,270,667	8,574,212	9,270,667	8,574,212
Water			9,874,703	8,256,175	9,874,703	8,256,175
Transit			3,576,807	3,643,035	3,576,807	3,643,035
Total expenses	<u>50,669,477</u>	<u>54,203,211</u>	<u>90,255,999</u>	<u>84,253,292</u>	<u>140,925,476</u>	<u>138,456,503</u>
Changes in net assets before transfers	(96,648)	1,380,177	27,473,290	17,801,804	27,376,642	19,181,981
Transfers	4,727,324	4,922,835	(4,727,324)	(4,922,835)		
Changes in net assets	4,630,676	6,303,012	22,745,966	12,878,969	27,376,642	19,181,981
Net assets at beginning of year	117,260,081	110,957,069	90,343,302	77,464,333	207,603,383	188,421,402
Net assets at end of year	\$ <u>121,890,757</u>	<u>117,260,081</u>	<u>113,089,268</u>	<u>90,343,302</u>	\$ <u>234,980,025</u>	<u>207,603,383</u>

CITY OF LODI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 3,981,991	13,316,450	\$ 17,298,441
Restricted assets		1,750,204	1,750,204
Receivables:			
Accounts, net	3,355,991	46,695	3,402,686
Property taxes	1,901,316		1,901,316
Interest	47,401	108,660	156,061
Due from other funds	149,568	978,064	1,127,632
Due from other governmental agencies	5,300	1,905,915	1,911,215
Loan receivable		1,084,000	1,084,000
Inventory	29,407		29,407
Advances to other funds	272,800	646,770	919,570
Other assets	59,695	508	60,203
Total assets	\$ 9,803,469	19,837,266	\$ 29,640,735
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and other liabilities	\$ 2,119,279	871,580	\$ 2,990,859
Accrued salaries and wages	1,364,788		1,364,788
Due to other funds		652,370	652,370
Advances from other funds		2,144,743	2,144,743
Deferred revenue		1,443,950	1,443,950
Total liabilities	3,484,067	5,112,643	8,596,710
Fund balances :			
Reserved	1,143,880	1,873,441	3,017,321
Unreserved reported in:			
General Fund	5,175,522		5,175,522
Special revenue funds		6,651,315	6,651,315
Capital projects funds		6,199,867	6,199,867
Total fund balances	6,319,402	14,724,623	21,044,025
Total liabilities and fund balances	\$ 9,803,469	19,837,266	\$ 29,640,735

CITY OF LODI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2007

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 20,594,293		\$ 20,594,293
Licenses and permits	83,964	632,820	716,784
Intergovernmental revenues	16,091,446	3,800,342	19,891,788
Charges for services	1,854,575	2,841,633	4,696,208
Fines, forfeits and penalties	1,241,051	4,225	1,245,276
Investment and rental income	380,375	617,703	998,078
Miscellaneous revenue	210,495	93,576	304,071
Total revenues	<u>40,456,199</u>	<u>7,990,299</u>	<u>48,446,498</u>
Expenditures:			
Current:			
General government	8,893,677		8,893,677
Public protection	21,775,531	435,792	22,211,323
Public works	3,871,311	1,715,482	5,586,793
Community development		2,061,706	2,061,706
Library	1,587,714		1,587,714
Parks and recreation	3,597,718		3,597,718
Capital outlay		3,526,339	3,526,339
Debt service:			
Interest and fiscal charges	41,464	1,163,635	1,205,099
Principal payments	273,823	626,233	900,056
Total expenditures	<u>40,041,238</u>	<u>9,529,187</u>	<u>49,570,425</u>
Excess (deficiency) of expenditures over (under) revenues	<u>414,961</u>	<u>(1,538,888)</u>	<u>(1,123,927)</u>
Other financing sources (uses):			
Transfers in	4,937,314	3,926,356	8,863,670
Transfers out	(3,401,814)	(734,532)	(4,136,346)
Total other financing sources (uses)	<u>1,535,500</u>	<u>3,191,824</u>	<u>4,727,324</u>
Net change in fund balances	1,950,461	1,652,936	3,603,397
Fund balances, beginning of year	<u>4,368,941</u>	<u>13,071,687</u>	<u>17,440,628</u>
Fund balances, end of year	<u>\$ 6,319,402</u>	<u>14,724,623</u>	<u>\$ 21,044,025</u>

CITY OF LODI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2007

	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 19,641,608	19,641,608	20,594,293	\$ 952,685
Licenses and permits	80,717	80,717	83,964	3,247
Intergovernmental revenues	15,205,635	15,205,635	16,091,446	885,811
Charges for services	1,933,921	1,814,886	1,854,575	39,689
Fines, forfeits and penalties	1,380,909	1,380,909	1,241,051	(139,858)
Investment and rental income	379,863	379,863	380,375	512
Miscellaneous revenue	254,395	254,395	210,495	(43,900)
Total revenues	<u>38,877,048</u>	<u>38,758,013</u>	<u>40,456,199</u>	<u>1,698,186</u>
EXPENDITURES				
Current:				
General government:				
City Council	107,719	107,719	83,248	24,471
City Manager	835,842	835,842	788,492	47,350
City Clerk	499,846	499,846	381,870	117,976
City Attorney	465,572	514,372	495,071	19,301
Human Resources	587,333	570,636	438,185	132,451
Information Systems	1,078,143	1,062,482	1,072,088	20,394
Community Center	1,433,543	1,487,678	1,487,415	263
Finance	1,998,617	2,062,768	1,877,546	185,222
Non Departmental	2,327,951	2,297,027	2,269,762	27,265
Total general government	<u>9,334,566</u>	<u>9,468,370</u>	<u>8,893,677</u>	<u>574,693</u>
Public protection:				
Police	14,240,003	14,240,741	13,439,760	800,981
Fire	8,422,164	8,426,500	8,335,771	90,729
Total public protection	<u>22,662,167</u>	<u>22,667,241</u>	<u>21,775,531</u>	<u>891,710</u>
Public Works	<u>1,999,710</u>	<u>3,998,517</u>	<u>3,871,311</u>	<u>127,206</u>
Library	<u>1,646,336</u>	<u>1,657,561</u>	<u>1,587,714</u>	<u>69,847</u>
Parks and recreation	<u>3,963,717</u>	<u>3,855,782</u>	<u>3,597,718</u>	<u>258,064</u>
Debt service:				
Interest and fiscal charges	41,464	41,464	41,464	
Principal payments	273,823	273,823	273,823	
Total debt service	<u>315,287</u>	<u>315,287</u>	<u>315,287</u>	
Total expenditures	<u>39,921,783</u>	<u>41,962,758</u>	<u>40,041,238</u>	<u>1,921,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,044,735)</u>	<u>(3,204,745)</u>	<u>414,961</u>	<u>3,619,706</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,937,314	4,937,314	4,937,314	
Transfers out	(3,401,814)	(3,401,814)	(3,401,814)	
Total other financing sources (uses)	<u>1,535,500</u>	<u>1,535,500</u>	<u>1,535,500</u>	
NET CHANGE IN FUND BALANCE	<u>490,765</u>	<u>(1,669,245)</u>	<u>1,950,461</u>	<u>3,619,706</u>
FUND BALANCE , beginning of year	<u>2,802,660</u>	<u>4,368,941</u>	<u>4,368,941</u>	
FUND BALANCE, end of year	<u>3,293,425</u>	<u>2,699,696</u>	<u>6,319,402</u>	<u>3,619,706</u>

CITY OF LODI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007

June 30, 2007

	Business-type Activities-Enterprise Funds					Governmental Activities - Internal Service Funds
	Electric	Wastewater	Water	Nonmajor Fund Transit	Total	
ASSETS						
Current assets:						
Cash and Investments	\$ 5,162,284	3,000,445		213,212	\$ 8,375,941	\$ 5,446,040
Restricted cash and investments			8,410,994		8,410,994	
Restricted assets with fiscal agents	10,131,013	11,029,071	300,771		21,460,855	
Receivables:						
Accounts, net	4,335,315	2,620,025	6,275,419	611,735	13,842,494	203,635
Interest	37,748	5,261	20,773	1,815	65,597	45,242
Due from other governmental agencies		85,182		884,879	970,061	
Advance receivable	4,790,663				4,790,663	
Inventory	1,501,423	13,022	186,752		1,701,197	108,524
Other assets	82	4,188	1,357		5,627	2,721
Total current assets	25,958,528	16,757,194	15,196,066	1,711,641	59,623,429	5,806,162
Noncurrent assets:						
Advances to other funds			1,225,173		1,225,173	
Deferred charges and other assets	21,730,962	740,154			22,471,116	
Capital assets, net:						
Nondepreciable	4,043,564	24,146,041	1,904,656	1,521,826	31,616,087	
Depreciable, net	34,000,593	52,083,087	28,736,192	11,219,840	126,039,712	39,075
Total capital assets	38,044,157	76,229,128	30,640,848	12,741,666	157,655,799	39,075
Total noncurrent assets	59,775,119	76,969,282	31,866,021	12,741,666	181,352,088	39,075
TOTAL ASSETS	85,733,647	93,726,476	47,062,087	14,453,307	240,975,517	5,845,237
LIABILITIES						
Current liabilities:						
Accounts payable and other liabilities	696,877	1,776,967	1,556,326	265,267	4,295,437	155,578
Accrued interest	1,731,278	600,485	16,399		2,348,162	
Due to other funds			475,262		475,262	
Unearned revenue		71,175	1,168,218		1,239,393	
Self-insurance liability						2,265,383
Accrued compensated absences	280,616	231,799	6,399	976	519,790	67,293
Certificates of participation payable	2,083,948	1,365,904			3,449,852	
Water note payable			163,810		163,810	
Total current liabilities	4,792,719	4,046,330	3,386,414	266,243	12,491,706	2,488,254
Noncurrent liabilities:						
Self-insurance liability						4,130,617
Accrued compensated absences	773,402	765,357	23,108		1,561,867	105,134
Certificates of participation payable	74,672,566	37,405,504			112,078,070	
Water note payable			1,754,606		1,754,606	
Total noncurrent liabilities	75,445,968	38,170,861	1,777,714		115,394,543	4,235,751
TOTAL LIABILITIES	80,238,687	42,217,191	5,164,128	266,243	127,886,249	6,724,005
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt	8,009,024	48,486,791	28,723,203	12,741,666	97,960,684	39,075
Restricted:						
Debt service			8,710,994		8,710,994	
Other purposes			4,463,762	1,445,398	6,417,590	(917,843)
Unrestricted (deficit)	(2,514,064)	3,022,494	4,463,762		6,417,590	(917,843)
TOTAL NET ASSETS (DEFICIT)	\$ 5,494,960	51,509,285	41,897,959	14,187,064	\$ 113,089,268	\$ (878,768)

CITY OF LODI
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year ended June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Electric	Wastewater	Water	Nonmajor Fund Transit	Total	
OPERATING REVENUES						
Charges for services	\$ 65,808,864	8,523,530	10,039,706	400,826	\$ 84,772,926	\$ 10,100,165
OPERATING EXPENSES						
Personnel services	4,597,337	2,289,035	1,077,002	115,746	8,079,120	1,255,538
Supplies, materials and services	8,904,769	2,314,233	6,924,896	2,810,889	20,954,787	6,003,510
Utilities	43,429,227	683,669	698,063	47,369	44,858,328	14,587
Depreciation and amortization	6,625,207	1,967,035	1,106,609	602,803	10,301,654	1,447
Claims	-	-	-	-	-	1,578,383
TOTAL OPERATING EXPENSES	63,556,540	7,253,972	9,806,570	3,576,807	84,193,889	8,853,465
OPERATING INCOME (LOSS)	2,252,324	1,269,558	233,136	(3,175,981)	579,037	1,246,700
NONOPERATING REVENUES (EXPENSES)						
Investment income	1,206,412	922,153	235,742	15,428	2,379,735	203,234
Interest expense	(3,977,282)	(2,016,697)	(68,132)	-	(6,062,111)	-
Rent	-	176,202	12,049	4,000	192,251	-
Operating grants	-	-	-	2,621,063	2,621,063	-
Litigation-environmental lawsuits proceeds	-	-	6,222,568	-	6,222,568	-
Other revenues	849,797	259,618	353,028	94,543	1,556,986	685,412
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,921,073)	(658,724)	6,755,255	2,735,034	6,910,492	888,646
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	331,251	610,834	6,988,391	(440,947)	7,489,529	2,135,346
Capital contributions	69,000	11,475,030	7,296,968	1,142,763	19,983,761	40,522
Transfers in	-	2,377,724	-	-	2,377,724	-
Transfers out	(2,702,736)	(1,062,533)	(3,339,779)	-	(7,105,048)	-
Net capital contributions and transfers	(2,633,736)	12,790,221	3,957,189	1,142,763	15,256,437	40,522
Change in net assets	(2,302,485)	13,401,055	10,945,580	701,816	22,745,966	2,175,868
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	7,797,445	38,108,230	30,952,379	13,485,248	90,343,302	(3,054,636)
NET ASSETS (DEFICIT) - END OF YEAR	\$ 5,494,960	51,509,285	41,897,959	14,187,064	\$ 113,089,268	\$ (878,768)

CITY OF LODI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2007

	Public Safety	Community Development	Streets	Transportation	HOME Program & Community Development Block Grants	Total
ASSETS						
Cash and Investments	\$ 125,584		7,357,087	92,939		\$ 7,575,610
Receivables:						
Accounts, net		19,961	26,734			46,695
Interest	1,433		63,892	778		66,103
Due from other funds			471,844			471,844
Due from other governmental agencies	70,013		857,180		471,844	1,399,037
Other assets			508			508
Loan receivable					1,084,000	1,084,000
TOTAL ASSETS	\$ 197,030	19,961	8,777,245	93,717	1,555,844	\$ 10,643,797
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and other liabilities	\$ 6,486	37,417	734,202	1,000		\$ 779,105
Due to other funds		149,568			471,844	621,412
Advances from other funds			646,770			646,770
Deferred revenue					1,084,000	1,084,000
TOTAL LIABILITIES	6,486	186,985	1,380,972	1,000	1,555,844	3,131,287
FUND BALANCES (DEFICIT)						
Fund balances:						
Reserved for encumbrances	1,869	6,434	850,042	2,850		861,195
Unreserved-designated for specific projects and programs	188,675	(173,458)	6,546,231	89,867		6,651,315
TOTAL FUND BALANCES (DEFICIT)	190,544	(167,024)	7,396,273	92,717		7,512,510
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 197,030	19,961	8,777,245	93,717	1,555,844	\$ 10,643,797

CITY OF LODI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Licenses and permits	\$ 632,820			\$ 632,820
Intergovernmental revenues	3,565,416		234,926	3,800,342
Charges for services	2,180,863		660,770	2,841,633
Fines, forfeits and penalties	4,225			4,225
Investment and rental income	301,225		316,478	617,703
Miscellaneous revenue	83,576		10,000	93,576
Total revenues	<u>6,768,125</u>		<u>1,222,174</u>	<u>7,990,299</u>
Expenditures:				
Current:				
Public protection	435,792			435,792
Public works	1,715,482			1,715,482
Community development	2,061,706			2,061,706
Parks and recreation				
Capital outlay	2,280,375		1,245,964	3,526,339
Debt service:				
Interest and fiscal charges		1,152,715	10,920	1,163,635
Principal payments		626,233		626,233
Total expenditures	<u>6,493,355</u>	<u>1,778,948</u>	<u>1,256,884</u>	<u>9,529,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>274,770</u>	<u>(1,778,948)</u>	<u>(34,710)</u>	<u>(1,538,888)</u>
Other financing sources (uses):				
Transfers in	733,912	1,778,948	1,413,496	3,926,356
Transfers out	(101,542)		(632,990)	(734,532)
Total other financing sources (uses)	<u>632,370</u>	<u>1,778,948</u>	<u>780,506</u>	<u>3,191,824</u>
Net change in fund balances	907,140		745,796	1,652,936
Fund balances, beginning of year	<u>6,605,370</u>		<u>6,466,317</u>	<u>13,071,687</u>
Fund balances, end of year	<u>\$ 7,512,510</u>		<u>\$ 7,212,113</u>	<u>\$ 14,724,623</u>

CITY OF LODI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total
Revenues:				
Licenses and permits	\$ 632,820			\$ 632,820
Intergovernmental revenues	3,565,416		234,926	3,800,342
Charges for services	2,180,863		660,770	2,841,633
Fines, forfeits and penalties	4,225			4,225
Investment and rental income	301,225		316,478	617,703
Miscellaneous revenue	83,576		10,000	93,576
Total revenues	<u>6,768,125</u>		<u>1,222,174</u>	<u>7,990,299</u>
Expenditures:				
Current:				
Public protection	435,792			435,792
Public works	1,715,482			1,715,482
Community development	2,061,706			2,061,706
Parks and recreation				
Capital outlay	2,280,375		1,245,964	3,526,339
Debt service:				
Interest and fiscal charges		1,152,715	10,920	1,163,635
Principal payments		626,233		626,233
Total expenditures	<u>6,493,355</u>	<u>1,778,948</u>	<u>1,256,884</u>	<u>9,529,187</u>
Excess (deficiency) of revenues over (under) expenditures	<u>274,770</u>	<u>(1,778,948)</u>	<u>(34,710)</u>	<u>(1,538,888)</u>
Other financing sources (uses):				
Transfers in	733,912	1,778,948	1,413,496	3,926,356
Transfers out	(101,542)		(632,990)	(734,532)
Total other financing sources (uses)	<u>632,370</u>	<u>1,778,948</u>	<u>780,506</u>	<u>3,191,824</u>
Net change in fund balances	907,140		745,796	1,652,936
Fund balances, beginning of year	<u>6,605,370</u>		<u>6,466,317</u>	<u>13,071,687</u>
Fund balances, end of year	<u>\$ 7,512,510</u>		<u>\$ 7,212,113</u>	<u>\$ 14,724,623</u>

CITY OF LODI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year ended June 30, 2007

	Public Safety	Community Development	Streets	Transportation	HOME Program & Community Development Block Grants	Total
REVENUES						
Licenses and permits	\$	632,820				\$ 632,820
Intergovernmental revenues	221,757	23,905	3,181,427	50,350	87,977	3,565,416
Charges for services		540,525	1,640,338			2,180,863
Fines, forfeits and penalties	3,100	1,125				4,225
Investment and rental income	9,759		288,368	3,098		301,225
Miscellaneous revenue		23,051	60,525			83,576
Total revenues	<u>234,616</u>	<u>1,221,426</u>	<u>5,170,658</u>	<u>53,448</u>	<u>87,977</u>	<u>6,768,125</u>
EXPENDITURES						
Current						
Public protection	435,792					435,792
Public works			1,627,505		87,977	1,715,482
Community development		2,061,706				2,061,706
Capital outlay			2,213,916	66,459		2,280,375
Total expenditures	<u>435,792</u>	<u>2,061,706</u>	<u>3,841,421</u>	<u>66,459</u>	<u>87,977</u>	<u>6,493,355</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(201,176)</u>	<u>(840,280)</u>	<u>1,329,237</u>	<u>(13,011)</u>		<u>274,770</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,680	600,000	125,232			733,912
Transfers out		(5,436)	(96,106)			(101,542)
Total other financing sources (uses)	<u>8,680</u>	<u>594,564</u>	<u>29,126</u>			<u>632,370</u>
NET CHANGE IN FUND BALANCES	<u>(192,496)</u>	<u>(245,716)</u>	<u>1,358,363</u>	<u>(13,011)</u>		<u>907,140</u>
FUND BALANCES, beginning of year	<u>383,040</u>	<u>78,692</u>	<u>6,037,910</u>	<u>105,728</u>		<u>6,605,370</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 190,544</u>	<u>(167,024)</u>	<u>7,396,273</u>	<u>92,717</u>		<u>\$ 7,512,510</u>

CITY OF LODI
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year ended June 30, 2007

	<u>PUBLIC SAFETY</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Intergovernmental revenues	\$ 221,757	221,757	
Fines, forfeits and penalties		3,100	3,100
Investment and rental income		9,759	9,759
Total Revenue	<u>221,757</u>	<u>234,616</u>	<u>12,859</u>
EXPENDITURES			
Current			
Public protection	<u>435,792</u>	<u>435,792</u>	
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(214,035)	(201,176)	12,859
OTHER FINANCING SOURCES			
Transfers in	<u>8,680</u>	<u>8,680</u>	
NET CHANGE IN FUND BALANCE	(205,355)	(192,496)	12,859
FUND BALANCE, BEGINNING OF YEAR	<u>383,040</u>	<u>383,040</u>	
FUND BALANCE, END OF YEAR	<u>\$ 177,685</u>	<u>190,544</u>	<u>12,859</u>

CITY OF LODI
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year ended June 30, 2007

	COMMUNITY DEVELOPMENT		
	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Licenses and permits	\$ 939,470	632,820	(306,650)
Intergovernmental revenues		23,905	23,905
Charges for services	735,881	540,525	(195,356)
Fines, forfeits and penalties	8,875	1,125	(7,750)
Investment and rental income	9,452		(9,452)
Miscellaneous revenue	1,008	23,051	22,043
Total Revenue	1,694,686	1,221,426	(473,260)
EXPENDITURES			
Current			
Community development	2,175,623	2,061,706	113,917
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(480,937)	(840,280)	(359,343)
OTHER FINANCING SOURCES (USES)			
Transfers in	600,000	600,000	
Transfers out	(5,436)	(5,436)	
Total other financing sources (uses)	594,564	594,564	
NET CHANGE IN FUND BALANCE	113,627	(245,716)	(359,343)
FUND BALANCE, BEGINNING OF YEAR	78,692	78,692	
FUND BALANCE (DEFICIT), END OF YEAR	192,319	(167,024)	(359,343)

CITY OF LODI
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREETS FUND
Year ended June 30, 2007

	STREETS		
	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Intergovernmental revenues	\$ 7,736,000	3,181,427	(4,554,573)
Charges for services	1,520,000	1,640,338	120,338
Investment and rental income	3,800	288,368	284,568
Miscellaneous revenue		60,525	60,525
Total Revenue	<u>9,259,800</u>	<u>5,170,658</u>	<u>(4,089,142)</u>
EXPENDITURES			
Current			
Public works	3,227,874	1,627,505	1,600,369
Capital outlay	<u>6,571,795</u>	<u>2,213,916</u>	<u>4,357,879</u>
Total Expenditures	<u>9,799,669</u>	<u>3,841,421</u>	<u>5,958,248</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(539,869)</u>	<u>1,329,237</u>	<u>1,869,106</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,139,314	125,232	(1,014,082)
Transfers out	<u>(136,984)</u>	<u>(96,106)</u>	<u>40,878</u>
Total other financing sources (uses)	<u>1,002,330</u>	<u>29,126</u>	<u>(973,204)</u>
NET CHANGE IN FUND BALANCE	462,461	1,358,363	895,902
FUND BALANCE, BEGINNING OF YEAR	<u>6,037,910</u>	<u>6,037,910</u>	
FUND BALANCE, END OF YEAR	<u>\$ <u>6,500,371</u></u>	<u><u>7,396,273</u></u>	<u><u>895,902</u></u>

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year ended June 30, 2007**

	<u>TRANSPORTATION</u>		
	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Intergovernmental revenues	\$ 174,249	50,350	(123,899)
Investment and rental income	3,000	3,098	98
Total Revenue	<u>177,249</u>	<u>53,448</u>	<u>(123,801)</u>
 EXPENDITURES			
Capital outlay	<u>282,977</u>	<u>66,459</u>	<u>216,518</u>
 NET CHANGE IN FUND BALANCE	(105,728)	(13,011)	92,717
 FUND BALANCE, BEGINNING OF YEAR	<u>105,728</u>	<u>105,728</u>	
FUND BALANCE, END OF YEAR	<u>\$ <u> </u></u>	<u><u>92,717</u></u>	<u><u>92,717</u></u>

CITY OF LODI
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year ended June 30, 2007

HOME PROGRAM and COMMUNITY DEVELOPMENT BLOCK GRANTS			
	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Intergovernmental revenues	\$ 3,347,644	87,977	(3,259,667)
EXPENDITURES			
Current			
Public works	3,347,644	87,977	3,259,667
NET CHANGE IN FUND BALANCE			
FUND BALANCE, BEGINNING OF YEAR			
FUND BALANCE, END OF YEAR	\$		

**CITY OF LODI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
June 30, 2007**

	Vehicle and Equipment	Library	Subdivision	Hutchins Street Square	Capital Outlay Reserve	Lodi Lake	Total
ASSETS							
Cash and investments	\$ 1,307,968	12,677	300,339	2,181	4,117,675		\$ 5,740,840
Restricted assets					1,750,204		1,750,204
Receivables:							
Interest					42,557		42,557
Due from other funds					506,220		506,220
Due from other governmental agencies					359,950	146,928	506,878
Advances to other funds					646,770		646,770
TOTAL ASSETS	<u>\$ 1,307,968</u>	<u>12,677</u>	<u>300,339</u>	<u>2,181</u>	<u>7,423,376</u>	<u>146,928</u>	<u>\$ 9,193,469</u>
LIABILITIES							
Accounts payable and other liabilities	\$ 16,774				62,577	13,124	\$ 92,475
Due to other funds						30,958	30,958
Advances from other funds					1,497,973		1,497,973
Deferred revenue					359,950		359,950
TOTAL LIABILITIES	<u>16,774</u>				<u>1,920,500</u>	<u>44,082</u>	<u>1,981,356</u>
FUND BALANCES							
Fund balances:							
Reserved for encumbrances					308,917	56,559	365,476
Reserved for advances to other funds					646,770		646,770
Unreserved-designated for specific projects and programs	1,291,194	12,677	300,339	2,181	4,547,189	46,287	6,199,867
TOTAL FUND BALANCES	<u>1,291,194</u>	<u>12,677</u>	<u>300,339</u>	<u>2,181</u>	<u>5,502,876</u>	<u>102,846</u>	<u>7,212,113</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,307,968</u>	<u>12,677</u>	<u>300,339</u>	<u>2,181</u>	<u>7,423,376</u>	<u>146,928</u>	<u>\$ 9,193,469</u>

CITY OF LODI
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
Year ended June 30, 2007

	Vehicle and Equipment	Library	Subdivision	Hutchins Street Square	Capital Outlay Reserve	Lodi Lake	Total
REVENUES							
Intergovernmental revenues	\$					234,926	\$ 234,926
Charges for services					660,770		660,770
Investment and rental income					316,478		316,478
Miscellaneous revenue					10,000		10,000
Total revenues					987,248	234,926	1,222,174
EXPENDITURES							
Capital outlay	342,238				665,874	237,852	1,245,964
Debt service:							
Interest and fiscal charges					10,920		10,920
Total expenditures	342,238				676,794	237,852	1,256,884
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(342,238)				310,454	(2,926)	(34,710)
OTHER FINANCING SOURCES (USES)							
Transfers in	1,342,707					70,789	1,413,496
Transfers out					(632,990)		(632,990)
Total other financing sources (uses)	1,342,707				(632,990)	70,789	780,506
NET CHANGE IN FUND BALANCES	1,000,469				(322,536)	67,863	745,796
FUND BALANCES, BEGINNING OF YEAR	290,725	12,677	300,339	2,181	5,825,412	34,983	6,466,317
FUND BALANCES, END OF YEAR	\$ 1,291,194	12,677	300,339	2,181	5,502,876	102,846	\$ 7,212,113

CITY OF LODI
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2007

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	<u>Fleet Services Fund</u>	<u>Claims and Benefits Funds</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and investments	\$	5,446,040	\$ 5,446,040
Receivables:			
Accounts, net		203,635	203,635
Interest		45,242	45,242
Inventory	108,524		108,524
Other assets	1,886	835	2,721
Noncurrent assets:			
Capital assets (net)	39,075		39,075
Total current assets	<u>149,485</u>	<u>5,695,752</u>	<u>5,845,237</u>
 LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	42,684	112,894	155,578
Self-insurance liability		2,265,383	2,265,383
Accrued compensated absences	67,293		67,293
Noncurrent liabilities:			
Accrued compensated absences	105,134		105,134
Self-insurance liability		4,130,617	4,130,617
Total liabilities	<u>215,111</u>	<u>6,508,894</u>	<u>6,724,005</u>
 NET ASSETS (DEFICIT)			
Invested in capital assets, net of related debt	39,075		39,075
Unrestricted (deficit)	(104,701)	(813,142)	(917,843)
Total net assets (deficit)	<u>\$ (65,626)</u>	<u>(813,142)</u>	<u>\$ (878,768)</u>

CITY OF LODI
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
Year ended June 30, 2007

	Fleet Services Fund	Claims and Benefits Funds	Total
OPERATING REVENUES			
Charges for services	\$ 1,567,016	8,533,149	\$ 10,100,165
OPERATING EXPENSES			
Personnel services	929,589	325,949	1,255,538
Supplies, materials and services	727,541	5,275,969	6,003,510
Utilities	14,587		14,587
Depreciation and amortization	1,447		1,447
Claims		1,578,383	1,578,383
TOTAL OPERATING EXPENSES	<u>1,673,164</u>	<u>7,180,301</u>	<u>8,853,465</u>
OPERATING INCOME (LOSS)	<u>(106,148)</u>	<u>1,352,848</u>	<u>1,246,700</u>
NONOPERATING REVENUES			
Investment income		203,234	203,234
Other revenues		685,412	685,412
TOTAL NONOPERATING REVENUES		<u>888,646</u>	<u>888,646</u>
LOSS (INCOME) BEFORE CAPITAL CONTRIBUTION	(106,148)	2,241,494	2,135,346
Capital contribution	40,522		40,522
Change in net assets	(65,626)	2,241,494	2,175,868
NET ASSETS (DEFICIT) - BEGINNING OF YEAR		(3,054,636)	(3,054,636)
NET ASSETS (DEFICIT) - END OF YEAR	\$ <u>(65,626)</u>	<u>(813,142)</u>	\$ <u>(878,768)</u>

CITY OF LODI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2006

	Private-Purpose Trust Funds		Total
	Library	Hutchins Street Square Bequest	
ASSETS			
Cash and Investments	\$ 846,765	1,386	\$ 848,151
TOTAL ASSETS	<u>846,765</u>	<u>1,386</u>	<u>848,151</u>
 NET ASSETS	 <u>\$ 846,765</u>	 <u>1,386</u>	 <u>\$ 848,151</u>

CITY OF LODI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year ended June 30, 2007

	Private-Purpose Trust Funds		
	Library	Hutchins Street Square Bequest	Total
ADDITIONS			
Investment income and donations	\$ 100,575	52	\$ 100,627
Total additions	<u>100,575</u>	<u>52</u>	<u>100,627</u>
DEDUCTIONS			
Current			
Library	11,866		11,866
Total deductions	<u>11,866</u>		<u>11,866</u>
CHANGE IN NET ASSETS	88,709	52	88,761
NET ASSETS, BEGINNING OF YEAR	<u>758,056</u>	<u>1,334</u>	<u>759,390</u>
NET ASSETS, END OF YEAR	<u>\$ 846,765</u>	<u>1,386</u>	<u>\$ 848,151</u>

CITY OF LODI
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year ended June 30, 2007

	Special Assessments			Balance 6/30/07
	Balance 7/1/06	Additions	Deductions	
ASSETS				
Cash and investments	\$ 453,628	739,870	603,815	\$ 589,683
Special assessment receivable	71,594	79,508	71,594	79,508
Interest receivable	2,196	5,495	2,196	5,495
TOTAL ASSETS	<u>\$ 527,418</u>	<u>824,873</u>	<u>677,605</u>	<u>\$ 674,686</u>
LIABILITIES				
Agency obligations	\$ 527,418	147,268		\$ 674,686
TOTAL LIABILITIES	<u>\$ 527,418</u>	<u>147,268</u>		<u>\$ 674,686</u>



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt resolution authorizing the City Manager to execute an updated Second Phase Member Agreement with the Northern California Power Agency for the Lodi Energy Center (\$3,030,000) (EUD)

MEETING DATE: December 19, 2007

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute an updated Second Phase Agreement with the Northern California Power Agency (NCPA) for Financing the Planning and Development Activities of the Lodi Energy Center.

BACKGROUND INFORMATION: On March 7, 2007, the City Council approved execution of a Second Phase Member Agreement with NCPA for the New Lodi Project (now called the Lodi Energy Center). The New Lodi Project is a potential 255 MW combined cycle generation facility located adjacent to the existing NCPA Combustion Turbine Project No. 2 facility at White Slough for possible operation in 2010 (presently 2012). Lodi's participation level was/is 30 megawatts.

This original Second Phase Member Agreement provided that it would not become effective until participants representing 95% of the planned participation level had executed the contract. This level was never reached hence the agreement did not become operational. Contract cost limits for Phase 2A and 2B were \$3.9 million and \$10.1 million respectively for a total Second Phase cost of \$14 million.

Since that time (i) new participants, (ii) cost and schedule changes and (iii) changes in phase activities have dictated revisions in the original Second Phase Member Agreement. The updated agreement is attached for review and approval.

Under the updated agreement, the first sub-Phase (Phase 2A) provides for the completion of initial engineering studies and project definition, submittal of application for California Energy Commission (CEC) approval, and an updated assessment of the availability/cost of equipment for the project, machines, and the acquisition of emission reduction credits (ERC's) or options. The second sub-Phase (Phase 2B) includes completion of the CEC process, final acquisition of ERC's as may be necessary, completion of documents for Phase 3, and the release of bid document(s) for construction. Phase 2B will not be undertaken by NCPA except upon the project members' further authorization pursuant to the terms of the Agreement. Updated contractual cost levels for Phase 2A is \$16 million and a total Second Phase maximum cost of \$25 million. The \$16 million for Phase 2A is intended to allow for purchase of ERCs, though that may be deferred, shifting cost from Phase 2A to Phase 2B. The \$25 million cap for Phase 2 applies to the total of the two sub-Phases, regardless.

The current schedule calls for a ten (10) month period of work for Phase 2A and an additional ten (10) months for Phase 2B. If Phase 2A begins at the end of January, 2008, it is projected to be completed in

APPROVED: _____
Blair King, City Manager

November 2008. In this case, Phase 2B will begin in December, 2008 and proceed through September 2009. The current operational date for the project is April 2012 with construction to begin in the second quarter of 2010.

Costs have increased significantly from the original Second Phase Agreement (\$14 million) to the present agreement (\$25 million). This is due in large part to the increased cost of emission offset credits (ERCs). The project will be required to purchase offsets for its projected emissions of PM10 (particulates below 10 microns in diameter), NOx, SOx and VOCs (volatile organic compounds). The expected costs of acquiring ERCs for the project has increased from about \$4.5 million to as much as \$12.5 million. Other changes in estimated costs are as follows:

Lodi Energy Center Phase 2 Cash Flow Estimate Comparison								
	2005-2006	4/07	11/07 Estimate w/ ERC			11/07 Estimate w/ ERC Option		
Cost Particulars	Estimate	Estimate \$000	Estimate \$000	Delta 05-06 \$000	Delta 05-06 %	Estimate \$000	Delta 05-06 \$000	Delta 05-06 %
ERCs	4,000	4,500	11,008	6,508	59.1%	12,500	8,000	72.7%
Transmission Studies	50	115	375	260	69.3%	375	260	69.3%
Engineering	6,000	6,500	7,500	1,000	13.3%	7,500	1,000	13.3%
CEC Process	75	174	200	26	13.0%	200	26	13.0%
All Other (2)	3,875	4,211	4,252	41	1.0%	4,251	40	0.9%
Total Estimate	14,000	15,500	23,335	7,835	33.6%	24,826	9,326	40.0%

Note: "ERC Option" scenario involves obtaining "options" to buy ERC credits rather than actual credits in Phase 2A with ERC actual purchase in Phase 2B. Options would cap the cost of ERCs, but require payment of a premium upfront.

Given the current level of subscription to the project, Lodi's pro-rata share of the licensing and development costs for a 30 MW share (about 12.1% at the 249 MW subscription level) will be about \$3.03 million, of which up to \$1.94 million would be spent in Phase 2A. (Costs may vary from this projection depending on participation levels of other entities.) If the project is found to be feasible, and if Lodi elects to proceed with project development, a Third Phase agreement will allocate rights to participate in final costs and benefits on the same basis. If the project is eventually financed for construction, the second phase costs would be reimbursed to the Members from any project financings. If the project is cancelled before construction financing, any purchased air pollution emission credits may be resold or applied to another project. Since supply of ERCs is expected to be more limited than demand, ERCs are believed to be an appreciating asset.

The Project is currently subscribed at 249 MW with 6 MW outstanding (unsubscribed). NCPA has meetings planned with other Municipal and Water Agency counterparties to fill the remaining 6 MW. The Lodi Energy Center Phase 2 Agreement becomes effective once approved by entities comprising 85 percent or more (216.75 MW) of the initial participation percentage levels. Signatories to the Agreement will have the right to reduce their participation or to withdraw wholly from the project if a signatory's financial commitment increases beyond its original pro rata share of the Phase 2A budget of \$16 million or prior to initiation of Phase 2B or Phase 3.

Staff's recommendation also includes designation of the City's Electric Utility Director as the City's authorized representative under the Phase 2 Agreement with the authority to undertake project votes and other administrative actions required of the utility under the agreement.

FISCAL IMPACT: Lodi's projected \$3.03 million share of costs under this agreement is planned to be funded through residual bond proceeds. Costs may vary from this projection depending on final participation levels of other entities. An additional commitment of up to 15% of this amount (and a corresponding increase in project share) may be permitted by the agreement in case of under-subscription to the project or default of another project participant, subject to a participant's right to reduce participation or to withdraw if its financial commitment increases beyond initial designation levels. Advances to NCPA to cover costs shall be made within sixty days of invoice and are expected to generally reflect project cash flow needs.

FUNDING: Uncommitted bond proceeds (Account No. 161.1080)

Kirk Evans, Budget Manager

George F. Morrow
Electric Utility Director

Attachments

RESOLUTION NO. 07-72

RESOLUTION OF THE COMMISSION OF THE NORTHERN CALIFORNIA POWER
AGENCY APPROVING THE REVISED SECOND PHASE AGREEMENT OF THE
LODI ENERGY CENTER PROJECT DEVELOPMENT

WHEREAS, in November 2006, the NCPA Commission authorized the NCPA General Manager to execute Second Phase New Lodi Project Development Agreements with NCPA Members, and NCPA and participating NCPA members now desire to revise the previously approved Second Phase Agreement to change the project name to the Lodi Energy Center and to allow for project participation by public entities that are not NCPA members (Non-NCPA Members); and

WHEREAS, NCPA members have identified the need for additional power supply resources to meet their anticipated demand for energy and capacity over the next ten years and beyond; and

WHEREAS, members have considered options including market purchases, acquisition of existing projects, partnerships in resources development with other entities, increasing the capacity at existing NCPA plants, and developing new and more efficient resources; and

WHEREAS, members desire to develop and construct an efficient, economic and environmentally responsible energy and capacity resource as part of their power mix strategy; and

WHEREAS, entering into the Second Phase Agreement will assist the Participating Members in planning to meet their capacity and energy power goals, reduce reliance on power purchase agreements and associated fuel price volatilities, and assist the State of California in meeting its reserve requirements and energy goals, and will reduce costs by economics of scale, avoiding duplication of efforts; and

WHEREAS, the Participating Members are ready, willing and able to support the development of this project; and


WHEREAS, NCPA is ready, willing and able to enter into agreements on behalf of the Participating Members and Non NCPA Members to efficiently and effectively develop and permit the project;

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency hereby approves the proposal and the plan described in the attached Staff Report authorizing an expenditure of an amount not to exceed \$25,000,000 as the combined total expenditures amount for Second Phase A and Second Phase B activities related to attaining ERCs, project permitting and further engineering and development of the Lodi Energy Center, the finalization and approval of the Second Phase Agreement, and the provisions within the Agreement which allow for the participation of Non-NCPA Members on an equitable basis with NCPA Members.

FURTHERMORE, the Commission a) approves the activities and intent of the Lodi Energy Center Second Phase Agreement; b) authorizes execution of the Second Phase Agreement on behalf of NCPA by the NCPA General Manager with such non-substantive changes as approved by the NCPA General Counsel; and c) approves the forwarding of the final form of the Second Phase Agreement to the participating NCPA members and Non-NCPA members to obtain their governing body approvals of the Lodi Energy Center Second Phase Agreement.

PASSED, ADOPTED and APPROVED this 29th day of November 2007, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda		X	
BART	Y		
Biggs	Y		
Gridley	Y		
Healdsburg	Y		
Lodi	Y		
Lompoc	Y		
Palo Alto		X	
Port of Oakland	Y		
Redding		X	
Roseville		X	
Santa Clara	Y		
Truckee Donner			X
Turlock		X	
Ukiah			X
Plumas-Sierra	Y		



PATRICK KOLSTAD
CHAIRMAN

ATTEST:



DENISE DOW
ASSISTANT SECRETARY

**SECOND PHASE AGREEMENT
FOR
FUNDING THE PLANNING AND DEVELOPMENT
ACTIVITIES
OF THE
LODI ENERGY CENTER**

This Second Phase Agreement for Funding the Planning and Development Activities of the Lodi Energy Center ("this Agreement") by and between the Northern California Power Agency, a joint powers agency of the State of California ("NCPA"), those members of NCPA which have individually executed this Agreement, the Modesto Irrigation District, an Irrigation District ("MID"), the State of California by and through the California Department of Water Resources ("CDWR"), and the City of Azusa, a municipal corporation ("Azusa"), and such other parties as may be identified in Exhibit C of this Agreement from time to time (collectively, the "Parties"), is made and entered into in Roseville, California as of November 29, 2007, and

WITNESSETH:

WHEREAS, the Parties to this Agreement other than NCPA are referred to herein as "Project Members" and are identified in Exhibit C of this Agreement; and

WHEREAS, NCPA and the Project Members are interested in developing additional power generation to meet the future electric demands of the Project Members and their electric customers; and

WHEREAS, NCPA proposes to develop a new combined cycle natural gas generation facility, to be located on property owned by the City of Lodi and which facility is anticipated to produce at least 255MW capacity (the “Lodi Energy Center” or the “Project”); and

WHEREAS, following study and discussion of the findings made to NCPA Members on August 25, 2005 pursuant to NCPA Commission Resolution 05-16, the members of NCPA requested NCPA staff to prepare an agreement to continue project development activities; and

WHEREAS, by NCPA Commission Resolution no. 06-48, adopted on November 30, 2006, the NCPA Commission has previously authorized a form of second phase agreement for the Lodi Energy Center, together with such non-substantive changes to that agreement as might be approved by the NCPA General Counsel; and

WHEREAS, since the adoption of Resolution no. 06-48, additional Project Members, including MID, CDWR and Azusa, which are not members of NCPA have expressed a desire to participate in the Lodi Energy Center and substantial changes have been made to the form of the prior second phase agreement; and

WHEREAS, in accordance with Section 5.2 of that certain Facilities Agreement executed by and between NCPA and certain of its members dated September 22, 1993, as amended through February 2, 2007, and included herein by reference (copies of said Facilities Agreement have been distributed to all Project Members and NCPA will additionally distribute copies to Project Members upon request), a project’s “second phase” consists of work to be performed after NCPA completes preliminary investigations and surveys regarding a project proposal, and before a third phase agreement becomes effective as to the project’s actual financing, construction, operation, maintenance, and the allocation of rights to a project’s output; and

WHEREAS, to advance the due diligence investigation of the proposed Lodi Energy Center, to pursue related environmental studies, to investigate, appraise and attain property rights necessary to develop the Lodi Energy Center on property owned by the City of Lodi, to perform project planning and design, to provide working capital for project development and finance, and to engage necessary expert professional services including those of NCPA staff, the NCPA Commission and the Project Members hereby declare the Lodi Energy Center to be an “NCPA Project” as per the terms of the Facilities Agreement¹, and hereby enter into this Agreement which is declared to be a “Second Phase Agreement” under the terms of the Facilities Agreement; and

WHEREAS, MID, while not a member of NCPA, wishes to participate in the project development by assuming a sixty (60) megawatt share of the Lodi Energy Center capacity, and to assume its prorated share of the costs and responsibilities incurred under this Agreement; and

WHEREAS, CDWR, while not a member of NCPA, wishes to participate in project development by assuming a sixty (60) megawatt share of the Lodi Energy Center capacity, and to assume its prorated share of the costs and responsibilities incurred under this Agreement; and

WHEREAS, CDWR is a public agency within the State of California and its agreements are required by California law to include certain terms, conditions and certifications; CDWR and NCPA, between them alone and excluding the other Project Members, are bound by the State of California terms, conditions and certifications set forth by reference and applicability in Section 19, and

¹ Section 1.14 of the Facilities Agreement defines the term “NCPA Project” as meaning any project which has progressed past the First Phase. Section 5.2 of the Facilities Agreement provides that for the purpose of ending the First Phase, the NCPA Commission may declare a termination of investigation regarding a project, or it may declare the project to be an NCPA Project by entering into a Second Phase agreement or Third Phase agreement with one or more participants desiring to participate in the project.

Exhibits D and E hereto; and

WHEREAS, Azusa, while not a member of NCPA, wishes to participate in the project development by assuming a seven (7) megawatt share of the Lodi Energy Center capacity, and to assume its prorated share of the costs and responsibilities incurred under this Agreement; and

WHEREAS, NCPA and the Project Members which are members of NCPA desire to encourage the participation of Project Members which are not members of NCPA ("Non-NCPA Project Members"), such as MID, CDWR and Azusa, and such other Non-NCPA Project Members as may be identified in Exhibit C from time to time, in the Lodi Energy Center, and to provide to them the opportunity to participate in the governance of the Lodi Energy Center on terms equivalent to those afforded to Project Members which are NCPA members; and

WHEREAS, NCPA's duties under this Second Phase Agreement will be performed sequentially in parts as Phase 2A and Phase 2B, with Phase 2A consisting of the activities listed in Exhibit A attached hereto at a cost not to exceed sixteen million (\$16,000,000) dollars and which may include attaining Project required ERCs; and

WHEREAS, initiation of the Phase 2B activities consisting of all remaining Second Phase activities listed in Exhibit A attached hereto, including but not limited to the purchase of any remaining required air pollution emission credits and additional engineering and permitting costs, at an estimated additional cost of up to nine million (\$9,000,000) dollars, actions of which will not be undertaken by NCPA except upon the Project Members' further authorization pursuant to the terms of this Agreement, and subject to the withdrawal of any Project Member after the completion of Phase 2A and prior to the initiation of Phase 2B.

NOW THEREFORE, the Parties hereto agree as follows:

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Section 1. Obligations - Percentage Participation - Collections and Accounting.

(a) NCPA, on behalf of itself and the Project Members, shall act as the lead agency for the purpose of representing the Lodi Energy Center in connection with an Application for Certification to the California Energy Commission ("CEC"), including Project environmental review, and shall advance due diligence, perform financial planning, prepare design and construction documents, investigate, appraise and attain necessary land and land rights, employ experts, prepare permit documents for the Project, negotiate the terms and conditions of draft power purchase agreements with NCPA members and outside entities as necessary, secure vital equipment and emissions credits, and develop a Third Phase Agreement within the meaning of the Facilities Agreement satisfactory to NCPA and the Project Members as set forth in Sections 1.(b) and 1.(c) below.

(b) NCPA shall perform services related to the Lodi Energy Center identified in Exhibit A hereto as Phase 2A activities at a total cost not to exceed sixteen million (\$16,000,000) dollars. Such activities contemplated in Phase 2A include the evaluation and potential purchase of all or a portion of Project required ERCs. Project Members may act, pursuant to Section 8 of this Agreement, to increase Phase 2A activities costs. The Parties anticipate that Phase 2A activities will be completed by the end of 2008.

(c) Upon the Project Members' authorization, provided pursuant to Section 3 of this Agreement, to undertake Phase 2B activities, NCPA shall conduct such additional work as may be necessary, including to secure a CEC

Order approving an Application For Certification of the Lodi Energy Center and to obtain any further required air emission reduction credits ("ERCs"). Such work shall be performed at an estimated cost of up to nine million (\$9,000,000) dollars. The Parties anticipate that Phase 2A and Phase 2B activities will be completed by the end of 2009 at a combined total cost not to exceed twenty-five million (\$25,000,000) dollars.

(d). Each Project Member hereby agrees, upon request by NCPA, to pay or advance to NCPA, from each Project Member's electric department revenues or funds only (or in the case of the Bay Area Rapid Transit District ("BART"), from its tariffs, fees or other sources of revenue, provided that such sources shall not include any sums derived by from sources the use of which is limited by law to expenditures other than operating expenses, or in the case of CDWR, from its Bond Fund and/or System Revenue Account) its respective Project Member Participation Percentage share of the costs authorized by Project Members in accordance with this Agreement. Each Project Member further agrees that it will fix the rates and charges for services provided by its electric department (or in the case of BART its general revenues, or in the case of CDWR, its bond funding or billings for payments to the System Revenue Account, subject to the Budget Contingency Clause cited in Section 21) so that it will at all times have sufficient funds in its electric department revenue funds to meet this obligation.

(e) Each Project Member's share of Project is initially established according to the table entitled "Lodi Energy Center Capacity and Participation Percentages" attached as Exhibit C hereto, as shown in the column entitled Initial Share of Project Capacity.

The Project Member Participation Percentage and Effective Project Capacity megawatt subscription of each Project Member shall be revised

proportionately if more than 216.75 megawatt Project capacity and less than the full 255 megawatt Project capacity is subscribed as shown in the Initial Project Capacity column.

The Project Member Participation Percentage and Effective Project Capacity megawatt subscription of each Project Member shall be revised proportionately if and when any Project Member withdraws in whole or in part, provided that the combined total of any such proportionate increases in each Project Member's Participation Percentage and Effective Project Capacity megawatt subscription, whether resulting from less than full Project capacity subscription and or the full or partial withdrawal of any Project Member, shall not exceed fifteen (15) percent of any Project Member's Initial Project Capacity subscription and respective Initial Share of Project Capacity. Any Project Member wholly withdrawing shall thereupon cease to be a Project Member for all purposes except for purposes of Section 4.

In the event that additional Project Members are added to this Agreement in accordance with the terms of Exhibit C, the Project Member Participation Percentage of each Project Member and the respective Effective Project Capacity such percentage represents, shall be proportionately adjusted downward but in no case shall such downward adjustment result in any then existing Project Member receiving less than its Initial Project Capacity subscription in the Project.

(f) From time to time, NCPA shall concurrently demand from each Project Member its share of Lodi Energy Center Phase 2A and Phase 2B costs. NCPA shall fix and schedule the total amount payable by each Project Member into a number of periodic payments and set the dates on which such payments will be made, and each Project Member agrees to abide by such schedule. NCPA shall provide a reasonable opportunity for any Project Member to prepay, to make one payment or to establish an alternative monthly or quarterly periodic prepayment

schedule to cover its total cost obligation. Any Project Member may arrange to remit the entirety of its projected financial commitment in one payment, subject to true up from time to time, based on actual expenditures and such Project Member's Participation Percentage. Any part of such demand by NCPA which remains unpaid for sixty (60) calendar days after its billing date shall bear interest from such sixtieth (60th) day at the prime rate of the Bank of America then in effect computed on a daily basis plus two (2%) percent until paid. Interest so assessed and paid shall not change any Project Member's Participation Percentage or Effective Project Capacity share.

The funds paid by Project Members according to this Section 1 shall be used to establish a working capital fund for payments by and obligations of NCPA under this Agreement.

Nothing in this Section 1 shall be construed to prohibit any Project Member from satisfying its financial commitments from unencumbered funds otherwise on deposit at NCPA.

(g) NCPA shall maintain a separate fund to account for all monies received and expended with respect to the Lodi Energy Center. Within such separate fund, NCPA shall separately account for monies received from and costs allocated to each Project Member. Interest accruing on funds received from Project Members in the form of a single payment or a prepayment shall be credited to the account of such Project Members making the single payment or prepayment. Each Project Member shall have the right to review or inspect all financial records with respect to the Lodi Energy Center. Any Project Member may request an accounting of monies received or expended by NCPA and a copy of any such accounting shall be made available to all Project Members. Any Project Member requesting an accounting less than twelve months (12) months

following the last accounting shall pay for the costs of such accounting. Any expenses of accounting or other administrative expenses incurred by NCPA shall be deemed to be Project related costs which shall be borne by the Project Members.

Section 2. Limited Rights to Participate in Final Implementation and Financing.

(a) Discretion - Disposition of Capacity. In consideration of the payments provided for in Section 1 of this Agreement, each Project Member which has not wholly withdrawn and which is not in default, shall have an exclusive option to enter into a Third Phase Agreement or to enter into a Power Purchase Agreement, for all or a part of its Project Member Participation Percentage share of all capacity made available to NCPA from the Project on a take or pay basis. Any such Third Phase Agreement and or Power Purchase Agreements shall be consistent with an NCPA Third Phase Agreement as contemplated by the Facilities Agreement².

Any Power Purchase Agreement entered into with a Project Member shall be for not less than the term of any bonds sold to finance the construction of the Project, shall be entered into concurrently with the approvals by Project Members entering into the Lodi Energy Center Third Phase Agreement, and shall be in a form mutually agreed upon by NCPA and the Project Members choosing to enter into a Power Purchase Agreement.

(b) Increase in Participation Percentage. Any Project Member can, at

² Section 5.2 of the Facilities Agreement defines Third Phase as all work performed after one or more participants has contracted with NCPA to participate in the financing, construction, operation and maintenance, and/or rights to the output, of an NCPA project.

the time of entering into a Third Phase Agreement or Power Purchase Agreement, increase its Project Member Participation Percentage of the Lodi Energy Center's capacity if additional capacity is available by reason of non-participation in the Third Phase Agreement or Power Purchase Agreements by one or more Project Members. Such excess capacity shall be reallocated among those Project Members which do participate in the same proportion as their individual shares bear to the total shares of those which do participate. If any Project Members so entitled to such excess Project capacity do not wish to contract for their share of such reallocated excess capacity, such remaining unallocated capacity shall be disposed of as agreed to by the Project Members.

(c) Exercise and Effect of Taking Less than Full Entitlement. Project Members shall establish the terms and provisions of a Third Phase Agreement and Purchase Power Agreement for rights to capacity and energy from the Project prior to the expiration of this Agreement. The Project Members shall also establish the date by which the Third Phase Agreement or Power Purchase Agreements must be executed by the Project Members and delivered to NCPA if they are to participate in the purchase of capacity from the Project. Any Project Member's failure to execute the Third Phase Agreement or Power Purchase Agreement for any of such Project Member's total Participation Percentage and to deliver such agreement to NCPA by the date set for execution or sixty (60) calendar days after the Project Member's receipt of the Third Phase Agreement or Purchase Power Agreement, whichever is later, will be an irrevocable decision on the part of that Project Member not to purchase any such capacity or otherwise participate in the Project. Execution and delivery of the Third Phase Agreement or Power Purchase Agreement for less capacity than its original total Project Member Participation Percentage share, and delivery of that Project

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Member's executed Third Phase Agreement or Purchase Power Agreement to NCPA by the date set for execution or sixty (60) calendar days after Project Member's receipt of the Third Phase Agreement or Purchase Power Agreement, whichever is later, will likewise be an irrevocable decision on the part of that Project Member not to purchase any such capacity in excess of the share set forth in its delivered agreement.

Supplemental agreements or other agreements will be entered into for the sale or purchase any excess or surplus Project capacity not allocated pursuant to the Third Phase Agreement or Purchase Power Agreements as described in the preceding paragraph. The procedures for processing supplemental agreements shall be consistent with those prescribed immediately above in this Section 2(c) for making purchases of capacity. Any Project Member's failure to return an executed Third Phase Agreement or Power Purchase Agreement for any excess capacity within the prescribed time period is an irrevocable decision not to purchase any such excess capacity. A Project Member making any irrevocable decision not to purchase all of its original Project Participation share of capacity shall be foreclosed from receiving, and shall be relieved of further burdens related to, Project capacity which it has declined to purchase and shall be accordingly relieved of associated further expenses relative to the future development of the Project, all as of the date of its irrevocable decision.

Section 3. Project Member Direction and Review.

(a) NCPA shall comply with all lawful directions of the Project Members with respect to this Agreement, while not stayed or nullified, to the fullest extent authorized by law. Actions, authorizations and approvals of Project Members, including giving directions, shall be conveyed in writing to NCPA's Project

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Manager. Actions, authorizations and approvals, including directions of Project Members will be taken only by vote of a quorum of authorized representatives of Project Members at meetings of the NCPA Commission or NCPA Facilities Committee duly called and held pursuant to the Ralph M. Brown Act. NCPA shall ensure that all Project Members, including Non-NCPA Project Members, receive notices, agendas, Project related staff reports, and minutes of all NCPA Commission and NCPA Facilities Committee meetings in the same manner as NCPA members.

Ordinarily, voting by representatives of Project Members will be on a one member/one vote basis, with a majority vote of Project Member representatives eligible to vote required for action; however, upon request of a Project Member representative, the voting on any issue will be by Project Member Participation Percentages with a sixty-five (65%) percent or greater favorable Project Member Participation Percentage vote necessary to carry the action.

Within ten (10) calendar days following the mailing of notice of any Lodi Energy Center related NCPA Commission or NCPA Facilities Committee action, authorization, approval or vote, any Project Member may veto any such action, authorization, approval or vote of the Project Members that was not taken by a sixty-five (65%) percent or greater Project Member Participation Percentage vote by delivering written notice of such veto to NCPA. The notice of veto will nullify such action, authorization, approval or vote unless, at a meeting of the NCPA Commission or NCPA Facilities Committee called for the purpose of considering such veto and held within thirty (30) calendar days after the delivery of such written notice of veto, Project Members having a combined Project Member Participation Percentage of at least sixty-five (65%) percent at such time vote to override the veto.

(b) Following the completion of Phase 2A activities and prior to commencing Phase 2B activities, NCPA shall give the Project Members not less than thirty (30) calendar days prior written notice of a meeting of the NCPA Commission at which the Project Members may authorize NCPA to undertake Phase 2B activities, pursuant to the procedures in Section 3(a) of this Agreement.

Section 4. Conditional Repayment to Project Members.

The Parties anticipate that bonds may be issued after the commencement of Phase 2 for Project purposes, including the reimbursement of Project member payments and advances made during Phase 2 and any subsequent Phases.

All payments and advances made heretofore, and those hereafter made pursuant to Section 1 of this Agreement, excluding interest paid on delinquent payments, shall be repaid to each of the Project Members making such payments and advances pursuant to this Agreement out of the proceeds of the first issuance of the Project bonds which can, as determined by NCPA, economically provide therefor, or as and when there are sufficient funds available from partial sale of bonds, if bonds, notes, or other evidences of indebtedness are issued to support the Project. Such reimbursements shall be made within sixty (60) calendar days following the sale of any Project bonds and shall include interest on Project Member payments and advances computed monthly at a rate equivalent to the end of the month reference rate of the Bank of America. Any interest due NCPA under Section 1 of this Agreement and unpaid shall be deducted from the repayment to the respective Project Members which owe such interest to NCPA.

If NCPA determines to complete the Project, but is not successful in obtaining all necessary approvals and financing therefor, there shall be no

reimbursement to Project Members except for proportionate reimbursement to Project Members out of any remaining unused Project funds including those monies then in the capital fund, along with all other receipts to which NCPA is entitled in connection with the Project. Any ERCs purchased as authorized by Section 1(c) of this Agreement but not utilized either because the Project is not successful in obtaining all necessary financing or government approvals or as may be in excess of ERCs required, shall be re-sold by NCPA and the proceeds distributed proportionately among the Project Members.

This Section 4 shall survive the termination of this Agreement and execution of a Third Phase Agreement and any Purchase Power Agreements.

Section 5. Term.

The Effective Date of this Agreement shall be the next calendar day after formal approval by the governing bodies of Project Members holding eighty-five (85%) percent of the Initial Share of Project Capacity as set out in Exhibit C of this Agreement, or such later date as may be determined by Project Members after an adjustment in the Lodi Energy Center Participation Percentages to provide for an adequate subscription for the financial commitment required by Section 6 of this Agreement is attained. This Agreement shall be superseded by the Third Phase Agreement and any Purchase Power Agreements except that Section 4 shall remain in effect.

Section 6. Financial Commitments.

To fund the Project Phase 2A activities each Project Member agrees to a total financial commitment equal to its respective Project Member Participation Percentage of a total of sixteen million (\$16,000,000) dollars. Upon completion of Phase 2A activities, or at any time deemed appropriate by a favorable vote as provided in Section 3 of this Agreement, Project Members may authorize the financial commitment to support the completion of Project Phase 2B activities, as referenced in Section 1(c); subject to the provisions of Section 8 of this Agreement.

Section 7. NCPA Assignment of Right to Receive Payments.

(a) Notwithstanding any other provision of this Agreement, if NCPA requires funds to carry out the terms of this Agreement prior to the receipt of adequate funds from the Project Members, NCPA may assign its right to receive any payments under this Agreement to a bank or other financial institution to secure a loan by NCPA or in exchange for an amount of money equal to the then present value of those payments as determined by NCPA. Project Members hereby consent to such assignment and upon notification in writing by NCPA to each Project Member; each such Project Member will make each such assigned payment directly to the assignee. The assignee shall not be liable to Project Members for the amounts as assigned, and NCPA shall use the proceeds of such borrowing or assignment solely for the purposes provided in this Agreement. This Section 7(a) does not apply to the CDWR, which is governed by State of California contracting and fiscal rules that do not authorize such assignments without additional fiscal and contracting requirements being met.

If the amount of CDWR's payments are less, or become less, than its Project Member Participation Percentage share of Project expenditures, CDWR shall be invoiced an amount sufficient to meet its then assessed Project Member Participation Percentage share and it shall pay such invoice within ninety (90) calendar days of the date such invoice was received. If no payment is received from CDWR, CDWR's Project Member Participation Percentage share shall be reduced proportionately, and the corresponding amount of CDWR's Project Member Participation Percentage reduction shall be reallocated proportionately to the other Project Members.

If an assignment or CDWR reallocation is made under Section 7 of this Agreement, then upon the failure of any Project Member to make any corresponding payment assigned, the Project Member Participation Percentages of each non-defaulting Project Member shall be automatically proportionately increased for the term of the assignment, and the defaulting Project Member's Participation Percentage shall (but only for purposes of computing the respective Project Member Participation Percentages of the non-defaulting Project Members) be reduced correspondingly; provided that the combined sum of any such increase(s) due to a defaulting Project Member, a full or partial Project Member withdrawal, and or CDWR reallocation for any non-defaulting Project Member shall not exceed, without the written consent of each non-defaulting Project Member, an accumulated maximum of twenty-five (25%) percent of the non-defaulting Project Member's Initial Share of Project Capacity as shown in Exhibit C hereto.

If a Project Member fails or refuses to pay any amounts due to NCPA, the fact that other Project Members increase their obligations to make such payments shall not relieve the defaulting Project Member of its liability for such payments and any Project Member increasing its obligation shall have a right of recovery

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from the defaulting Project Member to the extent of its respective increased obligation, in addition to the rights of NCPA discussed in the following paragraphs.

In addition, NCPA may terminate the provisions of this Agreement insofar as they entitle the defaulting Project Member to its Project Member Participation Percentage share of Project output.

In addition, NCPA shall have all rights and remedies under law or equity to compel payment of funds owed to NCPA by Project Members.

(b) For the purposes of such assignment, NCPA may fix and schedule the total amount payable by each Project Member into any number of periodic payments, and the dates on which such payments will be made, and each Project Member agrees to abide by such schedule. NCPA shall provide a reasonable opportunity for any Project Member to prepay, to make one payment, or to establish an alternative mutually agreeable payment schedule to cover its total obligation.

(c) After such an assignment is made, no Project Member may avoid the obligation so assigned by withdrawal or reduction in participation pursuant to Section 8 of this Agreement or otherwise.

(d) If NCPA makes an assignment pursuant to Section 7 of this Agreement, it may transfer, subject to Project Member authorization, any or all of its rights and duties to a nonprofit corporation formed to act on behalf of NCPA and if the voting method of the members of such nonprofit corporation is in the same manner as that provided in Sections 3 and 9 of this Agreement.

Section 8. Withdrawal from Further Participation.

(a) Except for increases in a Project Member's financial obligation as provided in Section 7 of this Agreement, if at any time following the execution of this Agreement, NCPA becomes aware of a required or estimated increase in Phase 2A financial commitments beyond that contemplated in Section 6, NCPA shall inform the Project Members of the reasons and amount of such required or estimated financial increase no later than at the next scheduled meeting of Project Members. After being noticed of such required or estimated increases in financial commitments, Project Members may partially withdraw, (i.e., withdraw from participation in the increase only), or may withdraw wholly from the Lodi Energy Center, and Project Members shall notice NCPA in writing of their decision to accept such increase, to partially withdraw, or to wholly withdraw from Project participation. Any Project Member(s) withdrawal shall be subject to honoring any commitments made by them or on their behalf pursuant to authorization of this Agreement up to the day of NCPA's receipt of such Project Member's written notice of withdrawal, in part or in whole, within thirty (30) calendar days of the Project Member(s) receipt of the notice of the increase from NCPA.

(b) A Project Member may, by providing written notice to NCPA, withdraw completely from the Project or reduce its participation percentage following the notification from NCPA pursuant to Section 3(b) of this Agreement that Phase 2A has been completed and prior to a Project Member's authorization to proceed with Phase 2B activities. In this event the Project Members may vote to consider modifications to this Agreement.

Section 9. Voting Rights and Duration.

A Project Member is eligible to vote pursuant to Section 3 of this Agreement until it completely withdraws from the Lodi Energy Center Project. If a Project Member's Project Member Participation Percentage is reduced, after such reduction, its subsequent financial commitment will be adjusted accordingly to match such Project Member's reduced Project Member Participation Percentage share. When the Third Phase Agreement and or Power Purchase Agreements are executed, or revised, Project Member Participation Percentages for voting shall be established or reestablished by dividing the amount of Project capacity to be purchased by each Project Member that is a party to the Third Phase Agreement and or Power Purchase Agreements by the total amount of the Project capacity.

Section 10. Quorum Defined.

The presence of either a majority of Project Members, or of Project Members then having a combined Project Member Participation Percentages of at least sixty-five (65%) percent, shall constitute a quorum for the purpose of action.

Section 11. Indemnification.

Each Project Member agrees to indemnify, defend and hold harmless NCPA and its members, and the other Project Members, including their respective governing officials, officers, agents, and employees, from and against any and all claims, suits, losses, costs, damages, expenses and liability of any

kind or nature, including, without limitation, reasonable attorneys' fees ("Claims") to the extent caused by any breach of contract, negligence, gross negligence or willful misconduct of itself and its officers, employees, subcontractors or agents, to the maximum extent permitted by law, but only as to Claims arising out of or related to this Agreement.

Section 12. Default and Remedies

(a) The failure of any Project Member to meet its financial commitments as required by this Agreement shall constitute a default. In the event of such a default, NCPA shall deliver a ten (10) calendar day written notice to the defaulting Project Member to cure the default. If such default is not cured within that time NCPA shall pursue all rights, under law and equity, to collect all sums due.

(b) Any action brought to enforce any provision of this Agreement shall be filed in the County of Sacramento, subject to the binding arbitration provision set forth below.

(c) ANY DISPUTE REGARDING THE PERFORMANCE OF THIS AGREEMENT, OR THE LACK THEREOF, SHALL BE RESOLVED THROUGH BINDING ARBITRATION CONDUCTED BY A MUTUALLY AGREEABLE ARBITRATOR, OR IF NO AGREEMENT CAN BE REACHED, THEN THROUGH THE AUSPICES OF THE AMERICAN ARBITRATION ASSOCIATION. THE PARTIES HERETO UNDERSTAND THAT BY AGREEING TO THIS PROVISION THEY ARE SURRENDERING ANY JUDICIAL REMEDIES THAT MAY OTHERWISE BE AVAILABLE.

NCPA

PROJECT MEMBER

(d) Should any actions be necessary to enforce any provision of this Agreement the prevailing party shall be entitled to the recovery of reasonable costs and reasonable attorney fees.

Section 13. Notices

Any notice, demand or request required or authorized by this Agreement to be given to any party shall be in writing (excluding emails and faxes) and shall either be personally delivered to Project Member's designated representative and the Secretary of NCPA or transmitted to the Project Member's official mailing address as listed in Exhibit B to this Agreement by sending such notice by U.S. Mail, first class postage prepaid. All such notices shall be deemed received within two (2) business days after deposit in the U.S. mail. Any party may change the address for notice by providing written notice of such change to NCPA and the other Project Members.

Section 14. Counterparts

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as the original instrument as if all the signatories to all of the counterparts had signed the same instrument.

Section 15. Amendment

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Parties and approved as required. No oral understanding or Agreement not incorporated in writing in the Agreement is binding on any of the parties.

Section 16. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the Parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

Section 17. Governing Law.

This Agreement shall be governed by the law of the State of California.

Section 18. Construction.

Each party to this Agreement is sophisticated in the operation of electric utilities, and in the construction and financing of power generation facilities. Each party to this Agreement was represented by counsel during the negotiation of this Agreement. Hence, this Agreement shall be interpreted as being equally drafted by all Parties and without reference to Civil Code section 1654 requiring interpretation against parties causing an ambiguity.

Section 19: Special Provisions Applying to CDWR and NCPA Only.

The State of California General Terms and Conditions and Certification Clauses, as shown in Exhibits D and E and known as GTC-307 and CCC-307, respectively, are incorporated in this agreement. GTC-307 and CCC-307 apply only to CDWR and NCPA concerning this Agreement.

Section 20: State of California Requirements for State Agencies

CDWR's participation in this Agreement is subject to the requirements of the California Public Contract Code, and Articles therein, beginning with Sections 10295 and 10335, respectively.

Section 21: State of California Budget Contingency Clause.

Funding for the Phase 2A and Phase 2B activities are continuously appropriated to the State Water Resources Development System and are not subject to annual legislative appropriation. CDWR represents that all funds for use in Phase II will be from this fund. If the foregoing is changed by legislative action or Executive Branch policy in a manner which prevents further CDWR Project Participation funding, the following will apply: , CDWR shall have no liability to pay any additional funds whatsoever to NCPA or to furnish any other considerations under this Agreement Given such occurrence, CDWR's Participation Percentage will be revised consistent with total Project payments made to date by CDWR and Section 7 of this Agreement.

Section 22: Department of General Services Review.

The Parties to this Agreement acknowledge that this Agreement, as between CDWR and NCPA, must be reviewed and approved by the Director of the Department of General Services, or his designee, before it becomes of full force and effect. CDWR shall provide a letter opinion from CDWR Counsel indicating that Department of General Services review and approval of this Agreement has occurred and that all relevant procedural requirements for State contracting have been met.

Section 23: Exhibits

This Agreement includes the following Exhibits:

Exhibit A: Activities to be undertaken in Phase 2A

Exhibit B: Addresses for Notice

Exhibit C: Lodi Energy Center Member Participation Percentages

Exhibit D: General Terms and Conditions

Exhibit E: Certification Clauses

IN WITNESS WHEREOF, each Project Member has executed this Agreement with the approval of its governing body, and NCPA has executed this Agreement in accordance with the authorization of its Commission

NORTHERN CALIFORNIA

POWER AGENCY

_____ By: _____

Date: _____

MEMBERS OF THE NORTHERN CALIFORNIA POWER AGENCY:

BAY AREA RAPID TRANSIT

Approved as to Legal Form

By:_____

By:_____

Date:_____

CITY OF BIGGS

Approved as to Legal Form

By:_____

By:_____

Date:_____

CITY OF GRIDLEY

Approved as to Legal Form

By:_____

By:_____

Date:_____

CITY OF HEALDSBURG

Approved as to Legal Form

By:_____

By:_____

Date:_____

CITY OF LODI

Approved as to Legal Form

By:_____

By:_____

Date:_____

CITY OF LOMPOC

Approved as to Legal Form

By:_____

By:_____

Date:_____

PLUMAS-SIERRA RURAL ELECTRIC
COOPERATIVE

Approved as to Legal Form

By:_____

By:_____

Date:_____

CITY OF SANTA CLARA

Approved as to Legal Form

By:_____

By:_____

Date:_____

CITY OF UKIAH

Approved as to Legal Form

By:_____

By:_____

Date:_____

NON-MEMBERS OF THE NORTHERN CALIFORNIA POWER AGENCY:

MODESTO IRRIGATION DISTRICT Approved as to Legal Form

By:_____ By:_____

Date:_____

STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES with
respect to its powers and responsibilities for the State Water Resources Development
System

By:_____
Raphael A. Torres, Deputy Director

Date:_____

Approved as to form and legal sufficiency

By: _____

David A. Sandino, Chief Counsel

Date:_____

CITY OF AZUSA Approved as to Legal Form

By:_____ By:_____

Date:_____

Exhibit A

PHASE 2A ACTIVITIES INCLUDE

- Finalize Phase 2 Project Participant Agreement
- Achieve Phase 2 Agreement execution by all Participants
- Establish Project Participant Committee
- Establish Project Development support and reporting infrastructure
- Establish Project Parameters (duct firing, future expandability, etc.)
- Investigate, appraise and attain necessary land and land rights from the City of Lodi
- Perform environmental assessments
- Submit application to CEC
- Purchase or secure options for Project ERCs

Phase 2A are activities anticipated to be completed by end of 2008.

PHASE 2B ACTIVITIES INCLUDE

- Complete CEC process
- Exercise ERC options or fully secure any remaining necessary ERCs
- Develop Phase III and /or PPA agreements for Project commitment and financing
- Develop Project Operations Agreement
- Develop Project fuel supply arrangements
- Commence Project detailed engineering and design
- Execute Project Phase III and or PPA agreements
- Release bid for construction (Q1 2010)
- Commence construction (Q2 2010)

Phase 2B are activities anticipated to be completed by end of 2009

Exhibit B

PROJECT PARTICIPANT ADDRESSES FOR NOTICE

Northern California Power Agency

Northern California Power Agency
Attn: Ed Warner, Lodi Energy Center Manager
180 Cirby Way
Roseville, California, 95678
Telephone: (209)728-1387 x-22 or (209)768-5887
Facsimile:
Email: Ed.Warner@ncpagen.com

City of Azusa

City of Azusa
Azusa Light & Water Department
Attn: Bob Tang, Assistant Director Resource Management
729 N. Azusa Avenue
P.O. Box 9500
Azusa, California 91702-9500
Telephone: (626)812-5214
Facsimile: (626)334-3163
Email: btang@ci.azusa.ca.us

Bay Area Rapid Transit District

Bay Area Rapid Transit District
Attn: Frank Schultz, Power Resources Manager
300 Lakeside Drive, 16th Floor
Oakland, California 94612-3534
Telephone: (510)464-6435
Facsimile: (510)464-6118
Email: fschult@bart.gov

Modesto Irrigation District

Modesto Irrigation District
Attn: Gregory Salyer, P.E.,
Resource Planning and Development Manager
P.O. Box 4060
1231 Eleventh Street
Modesto, California 95352
Telephone: (209)526-7550
Facsimile: (209)526-7575

Email: gregs@mid.org

California Department of Water Resources:

Department of Water Resources
Attention: Chi Doan
Chief, Power Contracts Management Branch
3310 El Camino Avenue, LL90
Sacramento, California 95821
Telephone: (916) 574-0612
Facsimile: (916) 574-0660

Plumas-Sierra Rural Electric Cooperative

Plumas-Sierra REC
Attn: Bob Marshall, General Manager
73233 Highway 70
Portola, California 96122-7064
Telephone: (530)832-4261
Facsimile: (530)832-6070
Email: marshall@psln.com

City of Biggs

City of Biggs
Attn: Pete Carr, City Administrator
465 "C" Street
P.O. Box 307
Biggs, California 95917-0307
Telephone: (530)868-5493
Facsimile: (530)868-5239
Email: biggs1@biggs-ca.gov

City of Gridley

City of Gridley
Attn: Jack Slota, City Administrator
685 Kentucky Street
Gridley, California 95948-2117
Telephone: (530)846-5695
Facsimile: (530)846-3229
Email: jslota@gridley.ca.us

City of Healdsburg

City of Healdsburg
Attn: Bill Duarte, Electric Utility Director
435 Allan Court
Healdsburg, California 95448
Telephone: (707)431-3346
Facsimile: (707)431-2710
Email: bduarte@ci.healdsburg.ca.us

City of Lodi

City of Lodi
Attn: George Morrow, Utility Director
221 W. Pine Street
Lodi, California 95240
Telephone: (209)333-6762
Facsimile: (209)333-6839
Email: gmorrow@lodielectric.com

City of Lompoc

City of Lompoc
Attn: Ronald Stassi, Utility Director
100 Civic Center Plaza
P.O. Box 8001
Lompoc, California 93438-8001
Telephone: (805)875-8299
Facsimile: (805)875-8399
Email: r_stassi@ci.lompoc.ca.us

Silicon Valley Power

Silicon Valley Power
Attn: John Roukema, Electric Utility Director
1500 Warburton Avenue
Santa Clara, California 95050
Telephone: (408)261-5490
Facsimile: (408)249-0217
Email: jroukema@siliconvalleypower.com

City of Ukiah

City of Ukiah
Attn: Elizabeth Kirkley, Interim Utility Director
300 Seminary Avenue
Ukiah, California 95482
Telephone: (707)463-6298
Facsimile: (707)463-6740
Email: ekirkley@cityofukiah.com

Power and Water Resources Purchasing Authority

Power and Water Resources Purchasing Authority
Attn: Kent W. Palmerton, General Manager
2106 Homewood Way, Ste 100
Carmichael, California 95608
Telephone: (916) 483-5368
Facsimile: (916) 485-3537
Email: kent@wkpalmerton.com

Exhibit C

LODI ENERGY CENTER MEMBER PARTICIPATION PERCENTAGES

Upon approval of the NCPA Commission, this Exhibit C may be amended to add Project Members, which shall thereafter and upon execution of this Agreement, be considered a party to this Agreement, without requiring the consent of then current Project Members provided that:

1. Total existing Initial Project Capacity subscription is less than 255MW capacity.
2. The sum of (a) the existing Initial Project Capacity subscription plus (b) the proposed added Project Member's requested Project capacity does not exceed 255MW capacity.
3. The added Project Member bears its full proportionate share of costs incurred prior to its addition to this Agreement as a Project Member.
4. No existing Project Member shall have its Initial Share of Project Capacity reduced by such addition.
5. Upon addition of a new Project Member, the Effective Project Capacity and Member Participation Percentages, and other values reflected in this Exhibit C shall be recalculated and updated accordingly.
6. Any new Project Member shall execute a counterpart of this Agreement, and shall be deemed to be bound as of the Effective Date of this Agreement.

11/15/2007

Lodi Energy Center Capacity and Participation Percentages						
Total Project Capacity	255	mW		Given Capacity and Percentage Adjustments per terms of Agreement		
Project Member	Initial Project Capacity (mW)	Initial Share of Subscribed Capacity - mW	Initial Share of Project Capacity mW (%)	Effective Project Capacity (mW)	Effective Share of Subscribed mW (%)	Project Member Participation Percentage
Azusa	7	2.8%	2.7%	7.17	2.8%	2.8%
BART	15	6.0%	5.9%	15.36	6.0%	6.0%
Biggs	1	0.4%	0.4%	1.02	0.4%	0.4%
CDWR	60	24.1%	23.5%	61.45	24.1%	24.1%
Gridley	5	2.0%	2.0%	5.12	2.0%	2.0%
Healdsburg	4	1.6%	1.6%	4.10	1.6%	1.6%
Lodi	30	12.0%	11.8%	30.72	12.0%	12.0%
Lompoc	5	2.0%	2.0%	5.12	2.0%	2.0%
Modesto	60	24.1%	23.5%	61.45	24.1%	24.1%
Plumas-Sierra	2	0.8%	0.8%	2.05	0.8%	0.8%
PWRPA	5	2.0%	2.0%	5.12	2.0%	2.0%
Silicon Valley Power	50	20.1%	19.6%	51.20	20.1%	20.1%
Ukiah	5	2.0%	2.0%	5.12	2.0%	2.0%
Total	249	100.0%	97.6%	255	100.0%	100.0%
Unsubscribed Share	6		2.4%	0		

EXHIBIT D

THIS EXHIBIT D CONTAINS THE STATE OF CALIFORNIA GTC 307. GTC 307 CONTAINS EIGHTEEN (18) TERMS AND CONDITIONS ALL OF WHICH ARE INCLUDED BY REFERENCE AND MADE OF PART OF THIS AGREEMENT. GTC 307 APPLIES TO THIS AGREEMENT ONLY WITH RESPECT TO NCPA AND CDWR AND AS ACCEPTED, MODIFIED OR DESCRIBED BY PROVISION BELOW.

- 1) APPROVAL - ACCEPTED.
- 2) AMENDMENT - ACCEPTED AND INCLUDED AS SECTION 15.
- 3) ASSIGNMENT - ACCEPTED AS PROVIDED IN SECTION 7 OF THIS AGREEMENT.
- 4) AUDIT - ACCEPTED.
- 5) INDEMNIFICATION - NOT APPLICABLE. THE CALIFORNIA GOVERNMENT CODE ALLOWS CALIFORNIA PUBLIC BODIES, INCLUDING STATE AGENCIES, TO ALLOCATE RISK.
- 6) DISPUTES - ACCEPTED.
- 7) TERMINATION FOR CAUSE - NOT APPLICABLE ON SAME BASIS AS PROVISION 5 ABOVE.
- 8) INDEPENDENT CONTRACTOR - ACCEPTED.
- 9) RECYCLING CERTIFICATION - NOT APPLICABLE AS PRODUCTS, MATERIALS, GOODS OR SUPPLIES ARE NOT BEING OFFERED FOR SALE TO THE STATE OR CDWR.
- 10) NON-DISCRIMINATION CLAUSE - ACCEPTED.
- 11) CERTIFICATION CLAUSES - ACCEPTED AS DESCRIBED IN EXHIBIT E.
- 12) TIMELINESS - ACCEPTED.
- 13) COMPENSATION - ACCEPTED NOTING THAT IF THE SITUATION ARISES THAT CDWR'S TOTAL PAYMENTS MADE TO NCPA UNDER THIS AGREEMENT ARE LESS THAN THE TOTAL PAYMENTS ASSESSED TO CDWR BASED ON CDWR'S PROJECT PERCENTAGE CONTAIN IN EXHIBIT C, CDWR'S PROJECT PERCENTAGE SHALL BE REDUCED ACCORDINGLY CONSISTENT WITH SECTION 7 OF THIS AGREEMENT.
- 14) GOVERNING LAW - ACCEPTED AND INCLUDED AS SECTION 17.
- 15) ANTITRUST CLAIMS - NOT APPLICABLE.
- 16) CHILD SUPPORT COMPLIANCE ACT - ACCEPTED.
- 17) UNENFORCEABLE PROVISION - ACCEPTED AND INCLUDED AS SECTION 16.
- 18) PRIORITY HIRING CONSIDERATION - NOT APPLICABLE TO THIS AGREEMENT AND AS NCPA IS NOT SPECIFICALLY HIRING ADDITIONAL STAFF PERFORM THE FUNCTIONS CONTEMPLATED BY NCPA UNDER THIS AGREEMENT.

State of California GTC 307

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. ASSIGNMENT: Superseded by Section 7 of this Agreement.

4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE: Superseded by Section 7 of this Agreement.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor

and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 307 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

16. CHILD SUPPORT COMPLIANCE ACT: "For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a). The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b) The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

EXHIBIT E

THIS EXHIBIT E CONTAINS THE STATE OF CALIFORNIA CCC 307. CCC 307 CONTAINS SEVEN (7) PROVISIONS PERTAINING TO *CONTRACTOR CERTIFICATION CLAUSES* AND EIGHT (8) PROVISIONS PERTAINING TO *DOING BUSINESS WITH THE STATE OF CALIFORNIA*, ALL OF WHICH ARE INCLUDED FOR REFERENCE. CCC 307 APPLIES TO THIS AGREEMENT ONLY WITH RESPECT TO NCPA AND CDWR AND AS ACCEPTED, MODIFIED OR DESCRIBED BY PROVISION BELOW.

CONTRACTOR CERTIFICATION CLAUSES

- 1) STATEMENT OF COMPLIANCE – NOT APPLICABLE, NCPA IS A PUBLIC ENTITY.
- 2) DRUG-FREE WORKPLACE REQUIREMENTS – ACCEPTED.
- 3) NATIONAL LABOR RELATIONS BOARD CERTIFICATION – NOT APPLICABLE, NCPA IS A PUBLIC ENTITY.
- 4) CONTRACT FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT – NOT APPLICABLE; NCPA IS NOT PERFORMING LEGAL SERVICES FOR CDWR.
- 5) EXPATRIATE CORPORATIONS – ACCEPTED.
- 6) SWEATFREE CODE OF CONDUCT – NOT APPLICABLE, NCPA IS NOT FURNISHING ANY APPARAL, GARMENTS OR CORRESPONDING ACCESSORIES TO CDWR.
- 7) DOMESTIC PARTNERS – NOT APPLICABLE / WAIVED PER PUBLIC CONTRACT CODE SECTION 10295.3 (C)(4).

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

CONTRACTOR CERTIFICATION CLAUSES

2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

5. **EXPATRIATE CORPORATIONS:** Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

7. **DOMESTIC PARTNERS:** For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

- 1) CONFLICT OF INTEREST - ACCEPTED.
- 2) LABOR CODE/WORKERS' COMPENSATION - ACCEPTED.
- 3) AMERICANS WITH DISABILITIES ACT - ACCEPTED.
- 4) CONTRACTOR NAME CHANGE - ACCEPTED.
- 5) CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA - NOT APPLICABLE, NCPA IS NOT A CORPORATION.
- 6) RESOLUTION - ACCEPTED.
- 7) AIR OR WATER POLLUTION VIOLATION - ACCEPTED.
- 8) PAYEE DATA RECORD FORM STD. 204 - NOT APPLICABLE, NCPA IS A GOVERNMENTAL ENTITY.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST**: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. **LABOR CODE/WORKERS' COMPENSATION**: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. **AMERICANS WITH DISABILITIES ACT**: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits

discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO EXECUTE AN UPDATED SECOND PHASE
MEMBER AGREEMENT WITH THE NORTHERN CALIFORNIA
POWER AGENCY FOR THE LODI ENERGY CENTER

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize (i) the City Manager to execute an updated Second Phase Member Agreement with the Northern California Power Agency for the Lodi Energy Center and (ii) the Electric Utility Director, or his/her designee, to represent the City in administering the Agreement in accordance with its terms.

Dated: December 19, 2007

=====

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____

**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Enter into a First Amendment to World of Wonders Science Museum Lease to Extend Commencement of Rent Obligation

MEETING DATE: December 19, 2007 City Council Meeting

PREPARED BY: City Manager

RECOMMENDED ACTION: Adopt Resolution authorizing the City Manager to enter into a First Amendment to World of Wonders Lease to extend commencement of rent obligation.

BACKGROUND INFORMATION: The City Council approved a lease with the World of Wonders Science Museum ("WOW") in February of 2007. The lease requires that tenant improvements be completed by January of 2008 and that the payment of rent commence on the same date. Although as outlined below, the WOW has achieved significant success in their fundraising campaign; their efforts have been hampered by the current economy. As such, they have requested a one-year extension for completion of the tenant improvements and commencement of rent.

To date, WOW has over \$240,000 in the bank. This includes the \$165,000 held in CDs as a security deposit for the City of Lodi. In addition the WOW has made significant strides in lining up exhibits. Two months ago the Board of Directors made the decision to partner with the San Francisco Exploratorium. This partnership will extend over three years at \$120,000 per year. The Exploratorium will supply the WOW with 30-35 new hands-on exhibits, exhibit building training and educational program training and work with the school district to coordinate the WOW programs with Lodi's classroom science curriculum. Two Board members, Dr. Kathy Beckman and Barbara den Hartog, are purchasing two exhibits for the Museum. The Lodi Association of Realtors has donated a six-foot hand made clock. Kaiser Permanente has shown interest in purchasing an exhibit that follows their theme of "Thrive and Live Well".

Based upon this progress, staff feels comfortable that they will meet their goals within the requested period and recommends that Council authorize the City Manager to authorize the First Amendment attached to this Council Communication.

Blair King
City Manager

APPROVED:

Blair King, City Manager

FIRST AMENDMENT TO LEASE AGREEMENT

WORLD OF WONDERS SCIENCE MUSEUM

=====

THIS FIRST AMENDMENT TO LEASE AGREEMENT, entered into this ____ day of _____, 2007, by and between the CITY OF LODI, a municipal corporation ("City"), and the World of Wonders Science Museum, a California Nonprofit Corporation (Tax ID No. 20-3075595) ("The WOW" or "Lessee") shall be as follows:

WHEREAS, the parties entered into a Lease Agreement dated February 1, 2007 to allow the construction of Tenant Improvements for and the operation of a Science Museum and Museum Store by The WOW in the Lodi Parking Structure space owned by the City; and

WHEREAS, the Lease Agreement requires that the Tenant Improvements be completed by January 31, 2008 and that the payment of rent commence by February 1, 2008;

WHEREAS, The WOW'S construction of the Tenant Improvements has been delayed despite WOW's considerable effort and success as a result of a slower than projected fundraising campaign; and

WHEREAS, in recognition of WOW's efforts and expected successful fundraising campaign, the Parties wish to extend WOW's deadline for completion of the tenant improvements and the rent commencement date.

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

1. Effect of Amendment.

Except as expressly modified herein all terms of the Lease Agreement shall remain in full force and effect.

2. Rent: Paragraph six of the Lease Agreement shall be amended to read:

No rent shall be required to be paid until February 1, 2009. Starting February 1, 2009 the WOW shall pay rent in the amount of \$1,030.00 monthly (which is the equivalent of \$1.29 per square foot rent per month for the estimated 800 square foot Museum Store.) to City.

The WOW's monthly rental payment shall increase in each year of this Lease based upon the annual percentage change of The Consumers Price Index for All Urban Consumers (All Items), San Francisco-Oakland-San Jose Average, as published by The United States Department of Labor Statistics, for the month prior to the date the payment is due. Notwithstanding the foregoing, for any given year, The WOW's monthly rental payment shall increase by no less than 2.5%, and no more than 5.0%, per year.

7. TENANT IMPROVEMENTS. Subparagraph (c) of Paragraph 7 shall be amended to read as follows:

c. Construction Timeline. The parties anticipate that Tenant Improvements will be completed within nineteen (19) months of the execution of this Lease, but in no event shall such improvements be completed later than January 31, 2009. Failure of The WOW to complete construction of Tenant Improvements as set forth above shall be deemed a material breach of the Lease.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first hereinabove mentioned.

CITY OF LODI,
a municipal corporation

World of Wonders Science Museum,
a California Nonprofit Corporation

BLAIR KING, City Manager

By _____
SALLY SNYDE
President

ATTEST:

Jennifer Perrin, Interim City Clerk

APPROVED AS TO FORM:

JANICE D. MAGDICH
Deputy City Attorney

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO ENTER INTO
AMENDMENT TO WORLD OF WONDERS SCIENCE
MUSEUM LEASE TO EXTEND COMMENCEMENT OF
RENT OBLIGATION

=====

WHEREAS, the City Council approved a lease with the World of Wonders Science Museum ("WOW") in February of 2007, requiring that tenant improvements be completed by January 2008 and that the payment of rent commence on the same date; and

WHEREAS, although the WOW has achieved significant success in their fundraising campaign, their efforts have been hampered by the current economy, and have requested a one-year extension for completion of the tenant improvements and commencement of rent.

WHEREAS, based upon this progress, staff feels comfortable that they will meet their goals within the requested period and recommends that Council authorize the City Manager to authorize the First Amendment to the lease on file in the City Clerk's office.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to enter into an Amendment to the World of Wonder Science Museum Lease to extend the commencement of the rent obligation and the completion of tenant improvements.

Dated: December 19, 2007

=====

I hereby certify that Resolution No. 2007-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Establishing the Community Development Block Grant Allocation Policy

MEETING DATE: December 19, 2007

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Adopt Resolution establishing the CDBG allocation policy.

BACKGROUND INFORMATION: San Joaquin County has been an entitlement community with the U.S. Department of Housing and Urban Development (HUD) since 1985. The County is classified as an Urban County jurisdiction, which includes all unincorporated County communities and the cities of Lodi, Escalon, Lathrop, Manteca, Ripon and Tracy. The city of Stockton is an Entitlement community and therefore receives the annual CDBG allocation directly from HUD.

Each year, the Urban County jurisdictions receive a formula-based allocation of CDBG, Emergency Shelter Grants (ESG), and HOME Program funding. The participating jurisdictions, in turn, go through an annual process which begins with a public meeting to gather input regarding the use of these federal funds. That meeting, held in early December, usually marks the beginning of the application period that runs through mid-January. During that period, both public and private agencies and organizations, submit funding requests for the coming years' funding.

As a practice, the City of Lodi has always made one-hundred percent of our annual allocation available for funding requests, and our City projects, from both Public Works, Parks & Recreation or any other City department, have competed head to head with funding requests for both capital projects and public services submitted by private agencies and organizations.

A breakdown of those funding allocations since 1999, illustrated in the attached Exhibit A, shows an average of 63.8% of our annual allocation going toward City projects.

At the Shirtsleeve Meeting of November 27, 2007, the Community Development Department introduced a proposal that the Council consider splitting the CDBG allocation into two funding set asides, one for CDBG-eligible city projects and the other for eligible community-based organization (CBO) projects.

It is fairly common for CDBG entitlement communities and participating jurisdictions within an Urban County designation to set-aside a certain percentage of their annual CDBG allocation for City projects or programs. Locally, San Joaquin County is the only participating jurisdiction within our Urban County designation that designates a set-aside for their County projects. The city of Stockton also designates a set-aside for City projects.

APPROVED: _____
Blair King, City Manager

The set-aside provides a fairly reliable funding source for which to plan or schedule projects or services into the future. The set-aside also segregates or groups the funding requests so that City departments compete amongst themselves and CBOs compete only against other CBO funding requests.

In addition, a set-aside system would allow staff to develop a better rating and ranking system in order to make recommendations with regard to CBO projects and services. The concept of the rating and ranking system was included in the presentation made at the Public Meeting that was held on December 4, 2007, which marks the beginning of the application process.

The Council has already established the following policies regarding CDBG allocations:

- Priority in funding is given to eligible capital improvement projects over public service-related funding requests.
- Any proposed funding request should meet a readiness criterion to ensure that the funds will be used in the program year that they are awarded, thereby allowing the City to remain in compliance with HUD regulations.

The Council is being asked to establish an additional policy of pre-determining the appropriate share of CDBG funds for City projects and how much of the total CDBG and/or HOME Program funding allocation should be made available to CBOs.

In order to provide an estimation of the magnitude of financial need, City Departments provided a list of projects and services for the coming year that could be funded via CDBG funds. The amount is in the neighborhood of \$1.5 Million. The estimated 2008/09 CDBG allocation is \$717,592. The preliminary list of City projects and services is attached as Exhibit B.

Based upon the average allocation over the last 9 years, referenced in Exhibit A, Staff recommends that Council designate 60% of the annual CDBG allocation for eligible City projects for a three-year cycles, at the conclusion of which we will re-evaluate the process and bring the matter back before the Council.

While Staff believes that the CBO's will also benefit from this arrangement by having a cap placed on funding for City projects, that in several years were far greater than the proposed 60%, it should be noted that each of these Council policies pertaining to CDBG allocations are guidelines for Staff to base their recommendations on and for Council to consider when making funding allocations. As such, Council retains the ability to fund projects or services on a case by case basis, outside of the approved allocation policies.

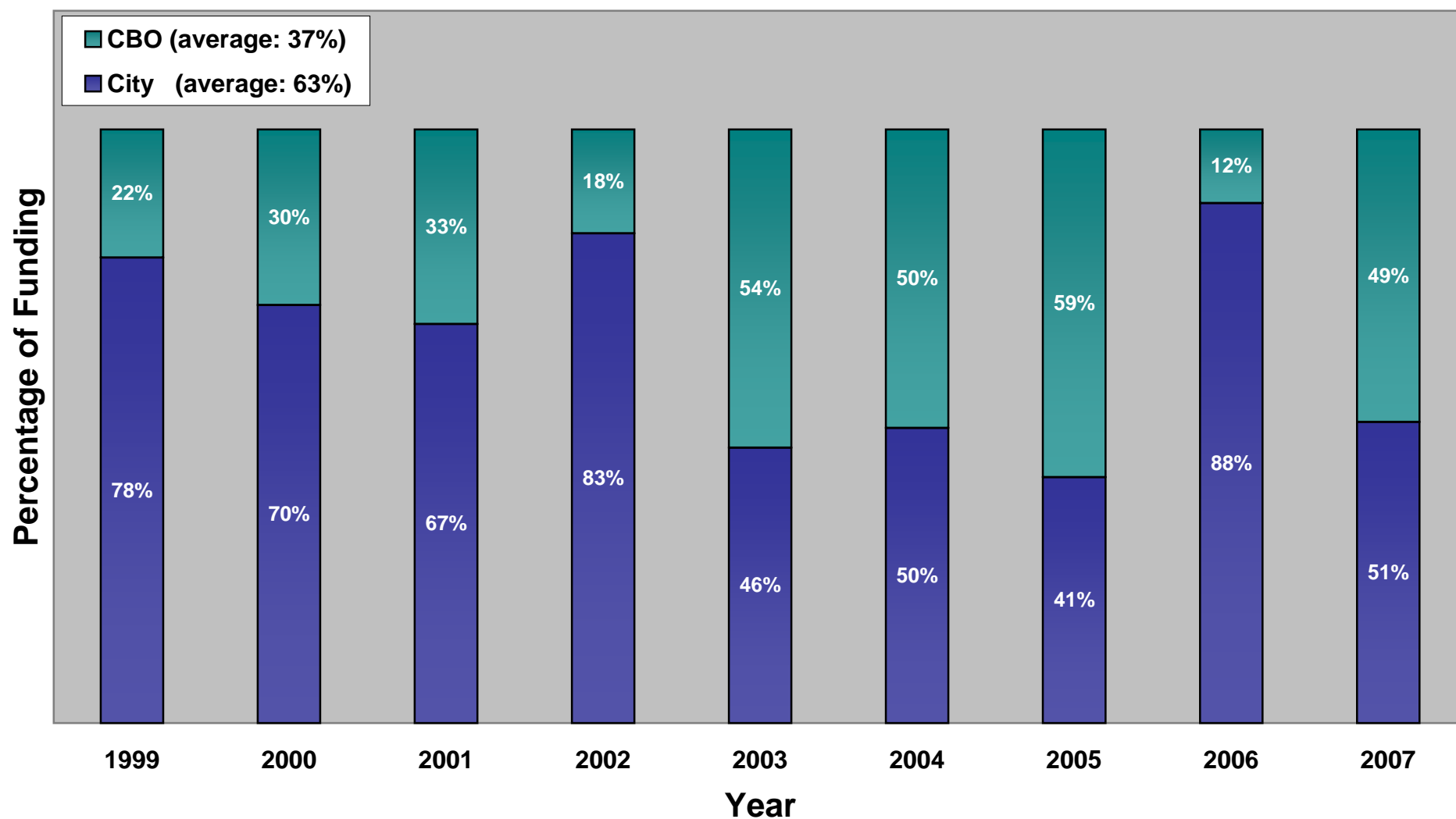
FISCAL IMPACT: No impact on overall funding availability for projects. This impacts the percentage available for City projects/services versus CBO projects/services.

FUNDING AVAILABLE: Estimated 2008/09 CDBG Program Funding (\$717,592)

Randy Hatch
Community Development Director

Attachments

CDBG Funding Breakdown, 1999-2007



City of Lodi CDBG Internal Preapplications Received

Project - Organization	Project Description	Fund Request	Comments/Concerns
ADA Curb Ramps Public Works	Install ADA-accessible curb ramps in CDBG target areas to improve accessibility for the disabled and the elderly.	\$250,000	Project is a continuation of the City's implementation of its ADA Transition Plan. \$200,000 to \$240,000 may be more realistic to expend by June 2009.
Blakely Park North Pool Deck Improvements Parks and Recreation	Install a new polymer concrete finish over existing pool decking. Work will match the Blakely Park South pool deck improvements completed in June 2007.	\$98,000	Eligible as an area benefit activity because Blakely Park serves primarily target-area residents. Funding would be expended during the 2008-09 year.
Lodi Lake Park North Playground Improvements Parks and Recreation	Redesign park to address accessibility and site-specific issues and install new ADA-accessible play equipment.	\$280,000	Lodi Lake Park is not located in a target area, so the City would have to have HUD approve the methodology used to show that most park users are low-income. This may require a lengthy review process and the need to conduct a new user survey, which could hold up the project.
Alley Drainage Improvements Public Works	Improve alley drainage by installing storm drain facilities and resurfacing a "typical" 600 foot alley located in a target area.	\$225,000	Eligible as an area benefit activity. Funding likely would not be entirely expended during the 2008-09 year.
Building Demolition Public Works	Demolish an abandoned packing shed building located at 17 East Elm Street.	\$95,000	Eligible as spot blight removal. City acquired the property in 2002 using CDBG funds. Long-term lot use is undetermined. If long-term use is not CDBG-eligible, funds must be repaid.
Lodi Public Library Renovation Lodi Public Library	Renovate the library facility to address accessibility issues, eliminate possible safety hazards, and make the space more functional and user-friendly.	\$550,000	Library does have other funding sources available, but project completion timeline is too ambitious. May not be an eligible activity, since it serves entire City (possibly region), which is not majority low-income. Would require the City to conduct a survey of library users to prove the majority are low-income.
Graffiti Abatement Public Works	Abate graffiti on public and private properties in the CDBG target areas.	\$27,638	Eligible as a public service for public properties and rehabilitation for private properties.
TOTAL FUNDING REQUESTED		\$1,525,638	

RESOLUTION NO. 2007-_____

A RESOLUTION OF THE LODI CITY COUNCIL
ESTABLISHING THE COMMUNITY DEVELOPMENT BLOCK GRANT
ALLOCATION POLICY

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WHEREAS, the Department of Housing and Urban Development (HUD) has determined that the City of Lodi, California, is entitled to Community Development Block Grant (CDBG) funding as a participating city through the County of San Joaquin Urban County jurisdiction; and

WHEREAS, the City of Lodi goes through an annual process to distribute those CDBG funds to both public and private agencies and organizations for eligible projects and services, in accordance with HUD guidelines and Federal regulations; and

WHEREAS, the City of Lodi has established certain local policies for the allocation and distribution of that CDBG funding; and

WHEREAS, the City wishes to designate a certain percentage of each years CDBG allocation as a set-aside for City projects and services; and

WHEREAS, the set-aside will provide a more reliable funding source for both public and private agencies, thereby improving long term capital improvement program planning; and

WHEREAS, it reinforces CDBG funding as a revenue source for needed City capital improvements;

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby designate sixty percent (60%) of the annual CDBG allocation for City projects/services, and forty percent (40%) for community-based organization projects and services, for a three-year cycle.

Dated: December 19, 2007

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I hereby certify that Resolution 2007- _____ was passed and adopted by the Lodi City Council in a regular meeting held on December 19, 2007, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2007-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Authorize Staff to Commence Negotiations with Central Valley Waste Services (Waste Management) to Exercise Contract Renewal Option

MEETING DATE: December 19, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Authorize staff to commence negotiations with Central Valley Waste Services (Waste Management) to exercise contract renewal option.

BACKGROUND INFORMATION: Under the existing franchise agreement for solid waste services with Central Valley Waste Services (Waste Management), the City has the option of renewing the agreement for seven-year increments by giving notice no later than 12 months prior to the expiration of the current term. The current term of agreement is set to expire on March 31, 2010, so a notice of renewal must occur before March 31, 2009, yet it is not too early to begin discussions on the next contract term and its conditions. Per Public Resource Code 40059 (copy attached), the City may determine the solid waste services to be provided without competitive bidding. The City has traditionally negotiated solid waste franchise agreements and renewals with Central Valley Waste Services and its predecessors.

In preparation for this discussion, staff recently conducted a survey of surrounding cities to compare rates and services included in their contract, franchise fees and whether or not their current contracts were bid out or negotiated. The majority of the cities surveyed had obtained their current contract through negotiations with the hauler. In comparison with other Central Valley cities, our rates (standard residential) fall in the middle at \$21.19 with City of Tracy having the highest rates at \$29.45 and City of Elk Grove with the lowest at \$17.10. Of the cities that had a franchise fee in their contracts, the City of Lodi was the lowest at 4.8% and the highest was City of Stockton at 20%. There was a wide variety of additional services that were included in each city's contract, which ranged from street sweeping, seasonal leaf and Christmas tree collections to dead animal pick-up. There were many of the same components in each city's contracts, such as the city billing for the service and yearly rate increases based on CPI. Of the cities surveyed, only one other city had an agreement with our same contracted hauler, Waste Management. Attached is the complete survey.

Recently, the question of "bid or negotiate?" was circulated on the League of California Cities City Manager's List Source. The informal comments ranged considerably. Certainly, dissatisfaction with a current provider was a good reason to bid the service.

Other reasons for bidding solid waste services included encouraging competition between the haulers and possibly providing the lowest rates. There are, however, downsides to bidding the service as well, such as a tough transition period with a new hauler not only for the City but also for its customers, a possible lack of service consistency, and the high costs in obtaining a consultant for the bidding process. There are many advantages to negotiating, such as adding more services and/or enhancements to the contract while maintaining current costs without having the disruption of changing service providers.

APPROVED: _____
Blair King, City Manager

And, there is no guarantee of obtaining a lower rate through the bidding process. Most significantly, negotiating with the current provider before the renewal date gives the City the most leverage in improving services within the current rate structure.

If Council authorizes commencement of negotiations, staff would allow up to nine months and would provide periodic updates to the Council. If satisfactory terms cannot be reached within this time frame, staff would recommend the selection of a consultant to prepare a comprehensive request for proposals and commence solicitation of proposals. This process would take an additional six to eight months.

FISCAL IMPACT: None at this point.

FUNDING AVAILABLE: None required.

Richard C. Prima, Jr.
Public Works Director

Prepared by Rebecca Areida, Management Analyst
RCP/RA/pmf
Attachments
cc: Thom Sanchez, Central Valley Waste Services

CALIFORNIA CODES
PUBLIC RESOURCES CODE
SECTION 40059

40059. (a) Notwithstanding any other provision of law, each county, city, district, or other local governmental agency may determine all of the following:

(1) Aspects of solid waste handling which are of local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing solid waste handling services.

(2) Whether the services are to be provided by means of nonexclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding, or if, in the opinion of its governing body, the public health, safety, and well-being so require, by partially exclusive or wholly exclusive franchise, contract, license, permit, or otherwise, either with or without competitive bidding. The authority to provide solid waste handling services may be granted under terms and conditions prescribed by the governing body of the local governmental agency by resolution or ordinance.

(b) Nothing in this division modifies or abrogates in any manner either of the following:

(1) Any franchise previously granted or extended by any county or other local governmental agency.

(2) Any contract, license, or any permit to collect solid waste previously granted or extended by a city, county, or a city and county.

40059.1. (a) The Legislature hereby finds and declares both of the following:

(1) In 1989, the Legislature enacted this division as the California Integrated Waste Management Act of 1989. One of the key provisions of this division is that each local agency has the responsibility for diverting 50 percent of all solid waste generated within the local agency by January 1, 2000.

(2) The public policy objective of the Legislature in enacting this section is to ensure that those local agencies that require an indemnity obligation retain their responsibility for implementing the diversion requirements of this division.

(b) For the purposes of this section, the following terms have the following meanings:

(1) "Indemnity obligation" means any indemnity obligation directly or indirectly related to the failure of a local agency to meet the solid waste diversion requirements imposed by Chapter 6 (commencing with Section 41780) of Part 2, that is expressly assumed by, or imposed upon, the solid waste enterprise, whether pursuant to ordinance, contract, franchise, license, permit, or other entitlement or right, for the benefit of the local agency.

(2) "Local agency" means any county, city, city and county, district, regional agency as defined in Section 40181, or other local government agency.

(c) Any provision, term, condition, or requirement contained in any ordinance, contract, franchise, license, permit, or other

entitlement or right adopted, entered into, issued, or granted, as the case may be, by a local agency for solid waste collection and handling, including the recycling, processing, or composting of solid waste, or in any request for bids or proposals in connection with any such contract or franchise, that authorizes or requires the imposition of an indemnity obligation, shall, notwithstanding any such provision, term, condition, or requirement, be subject to all of the following restrictions:

(1) An indemnity obligation shall not be enforceable if the board imposed penalty is based solely upon the failure of the local agency to establish and maintain a source reduction and recycling element pursuant to Chapter 2 (commencing with Section 41000) of Part 2, Chapter 3 (commencing with Section 41300) of Part 2, or Section 41750.1, as the case may be.

(2) Any board imposed penalty based upon a local agency's failure to meet the solid waste diversion requirements imposed by Chapter 6 (commencing with Section 41780) of Part 2, resulting in whole or in part from the solid waste enterprise's breach of contract or noncompliance with any other authorization, shall be apportioned in accordance with the percentage of fault of the local agency and the solid waste enterprise.

(3) For purposes of this section, a solid waste enterprise is not liable for the indemnity obligation to the extent that the solid waste enterprise's breach or noncompliance resulted from the action or failure to act of the local agency.

(4) No payment required or imposed pursuant to an indemnity obligation, whether required or imposed by ordinance, contract, franchise, license, permit, or other entitlement or right, may exceed that portion of any penalty assessed by the board against the local agency that was caused by the solid waste enterprise's breach or noncompliance of an express obligation or requirement.

(5) No indemnity obligation shall be enforceable against a solid waste enterprise until the local agency has affirmatively sought, in good faith, all administrative relief available pursuant to Chapter 6 (commencing with Section 41780) and Chapter 7 (commencing with Section 41800) of Part 2, unless the local agency demonstrates good cause, based on substantial evidence in the record, for not pursuing that administrative relief. The solid waste enterprise shall cooperate, in good faith, with the local agency seeking that administrative relief and shall provide in writing to the local agency all known defenses to the imposition of penalties.

(d) Nothing in this section shall be construed to preclude either party from seeking any other remedy under law or equity.

(e) The provisions of this section are not subject to waiver, and any attempted waiver shall be null and void as against public policy.

(f) This section is not intended to do any of the following:

(1) Add to or expand the authority of local agencies to determine aspects of solid waste collection and handling pursuant to Section **40059**.

(2) Alter the authority of business entities to collect or process materials that are not solid waste.

(3) Affect any contract right existing on the effective date of this section.

Agency	Provider, customer base	Bid or Negotiate?	Std. Residential Rate	Standard Residential Service	Price Escalation Provision	Billing (by City or Contractor?)	Additional Services Included	Landfill info	Franchise Fee	Diversion Rate
City of Lodi	Central Valley Waste Services (Waste Management); All residential and commercial (does not include defined industrial customers)	Negotiated current contract with WM prior to expiration of the existing contract at the time.	\$21.19	3-cart system, 38 gal. refuse 1x week, alternating recycling/garden 1x week	Yearly increase by percentage amount equal to 80% of the annual change in the Consumer Price Index	Billed by City on utility bill	Source Reduction & recycling Element & related documents; Illegal dumping pickup on public & railroad property; annual curbside collection; annual transfer station voucher; annual dump @ reduced fee; City leaf disposal up to 1,200 tons/year; payment for billing services; low income discount	Contract specifies that all materials except items retained for recycling must be taken to North County Landfill or other sites that City may designate	4.80%	58%
City of Stockton	Waste Management & Allied Waste have exclusive residential & commercial franchises. On the residential side, WM's franchise covers east of El Dorado Street & AW's covers west of El Dorado Street. On the commercial side, WM & AW franchises cover entire City. Franchises do not include industrial manufacturing & construction & demo. collection.	We had WM and AW separately submit prices for each service. We then accepted the low bid for each service	\$19.75 per month for 30 gallon wheeled cart, \$25.00 per month for 60 gallon wheeled cart, \$30.24 for 90 gallon wheeled cart. If customer does not specify their solid waste cart size, they receive a 60 gallon cart by default.	3 cart system, weekly service of 60 gallon Recycling cart, 90 gallon Green & Food waste cart, & customer choice of 30-60-90 gallon Trash cart (if customer does not specify they receive a 60 gallon trash cart).	Annual rate adjustment each June 1, equal to 50% of the change in the Consumer Price Index for San Francisco, Oakland, San Jose for all urban consumers.	For residential, billed by either the City of Stockton or California Water Service. WM & AW bill commercial.	Annual Neighborhood Clean Sweep (bulky item pickup including CRTs, E-waste, and appliances); Twelve extra service stickers per year to use for free extra waste pickup; Seasonal leaf collection; Christmas Tree Collection & recycling; Senior discount; City-wide street sweeping services. All City owned facilities receive free service; C.I.W.M.B. Annual Report preparation; Free service for 5 special events per year & 6 community clean up events per year plus post-event street sweeping.		20% (franchise fee)+ 3.5% (AB 939 fee)	54%

Agency	Provider, customer base	Bid or Negotiate?	Std. Residential Rate	Standard Residential Service	Price Escalation Provision	Billing (by City or Contractor?)	Additional Services Included	Landfill info	Franchise Fee	Diversion Rate
City of Tracy	Tracy Delta Solid Waste Management, Inc (Tracy Disposal) All residential, industrial and commercial accts.	The last contract was negotiated in 2002-2003 by BVA Consultants	\$29.45	3-cart system, 60 gal. refuse 1x week, alternating recycling/garden 1x week	No provision. According to contract staff will ask Council for rate increase approval when needed, according to bond covenants and fund balance.	Monthly billing is a function of the City.	Exclusive Franchise Agreement is also tied to City MRF. Disposal Co. also operates the MRF and ensures compliance of all solid waste regulations including on-site composting. Additional services include free cardboard/paper pick up for residential and commercial customers, free christmas tree pick-up program, large appliance disposal voucher program; Spring and Fall Clean-up; leaf-pick-up; free city use of MRF. Customer Service is also provided by the company at a local location.	The City of Tracy owns the Material Recovery Facility (MRF), but is privately operated. We have a three party agreement with San Joaquin County, City of Tracy and Mountain House for landfill and MRF usage with Tracy Disposal. In addition, we have a contract with the County when the Corral Hollow landfill shut down.	8.00%	67%
Elk Grove	Allied Waste	Negotiated current contract with Allied. Contract terms in 2011.	32 gallon - \$17.10 64 gallon - \$19.78 96 gallon - \$25.15	3-cart system. Resident chooses the size cart they would like upon initiation of service. Cart sizes available are 32 gal, 64 gal and 96 gal. Trash is serviced weekly..recycle and green waste rotate every other week.	No provision. According to contract staff will ask Council for rate increase approval annually.	Billed bi-monthly by Utility Billing Dept.	Annual Neighborhood Clean-up; free dump coupon at Elder Creek Transfer station 1x per year; Free e-waste events 4x per year; holiday tree collection; composting classes 4 x per year; curbside oil and used oil filter pickup; household hazardous waste facility access free of charge; up to two recycle and 2 green waste carts free of charge; seniors and person's with disability - free porch pick-up service.	Waste is forwarded to Froward Landfill in Manteca	10.00%	59%
Galt	California Waste Recovery & all rights to service residential, commercial	Negotiated. Extended contract with current provider.	\$20.41	3-cart system, 64 gal. refuse 1x week, alternating recycling/garden 1x week	annual adjustment based on "annual disposal element". Calculation involving the tipping fees paid by contractor, revenues collected and a refuse rate index.	Residential billed by City	Curbside e-waste & u-waste collection two times a year, neighborhood clean-up services (provide 20-yard bin for City events, up to 6 a year), X-mas tree collection, refuse & recycling services at two City events per year, HHW events up to two a year (City responsible for disposal costs), dead animal pick-up, commercial waste audits (24 businesses a year), planning dept. review services, public outreach & education	Contractor may select and notify City of disposal facility	2% through Feb. 2008, then 10%	50%

Agency	Provider, customer base	Bid or Negotiate?	Std. Residential Rate	Standard Residential Service	Price Escalation Provision	Billing (by City or Contractor?)	Additional Services Included	Landfill info	Franchise Fee	Diversion Rate
City of Davis	Davis Waste Removal Company. Residential and Commercial	Re-negotiated current contract.	\$25.36	3-cart system, 90 gal. refuse recycling & garden waste 1x week	annually adjusted, cpi based less a landfill component. Alternative bi-annual adjustment.	billed by contractor	Street sweeping, bulky item turn in program,	Unless directed otherwise by City, use Yolo County Landfill	n/a	45%
City of Modesto	Gilton Solid Waste and Bertolotti Disposal have exclusive Service Agreements with Service Areas for residential and commercial services. Industrial waste is open to competition between our 3 licensed haulers, Bertolotti Disposal, Gilton Solid Waste and Bonzi Inc. Bonzi Inc. is only licensed to service Industrial waste	Negotiated - All long term agreements.	\$19.82	A 96 gallon toter for garbage/recyclables, a 96 gallon toter for green waste, blue bags for recycling, kitchen countertop container for food scraps, TV and tire collections, 2 bulky items pickups per year.	Rates are reviewed annually. No guaranteed upward adjustment, however, each hauler is guaranteed an 11.11% profit margin.	City bills under contract with the haulers for residential services only.	N/A	All waste is flow controlled under the Service Agreements to be taken to the Covanta Waste-to-Energy Facility.	10.00%	Last CIWMB approved rate was in 2004 at 54%.
City of Manteca	Municipally operated	n/a	\$19.78	3-cart system, 32 gal. refuse 1x week, alternating recycling/garden 1x week	3% annually	City	E-waste drop-off, battery drop-off, appliance pick-up, bulky item pick-up, curbside oil pick-up, X-mas tree pick-up, Fee 2yd bin once a year to every resident, city-wide street sweeping, seasonal leaf pick-up, extra trash pick-up stickers (3) every year, extra recycling & green waste carts provided free, collection at City wide events (street fair, pumpkin fairm, etc.)	all taken to Forward Landfill	n/a	50%



CITY OF LODI

COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approval of Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases being Handled by Outside Counsel (\$195,434.92).

MEETING DATE: December 19, 2007 City Council Meeting

PREPARED BY: City Attorney's Office

RECOMMENDED ACTION: That the City Council approve for payment expenses incurred by outside Counsel/Consultants related to the Environmental Abatement litigation in the total amount of \$190,675.20, and various other cases being handled by Outside Counsel in the amount of \$4,759.72.

BACKGROUND INFORMATION: Listed below are invoices from the City's outside counsel, Folger, Levin & Kahn and Miscellaneous Invoices for services incurred relative to the Environmental Abatement Program litigation and various other matters that are currently outstanding and need to be considered for payment.

Folger Levin & Kahn - Invoices Distribution				Water Acct.
Matter No.	Invoice No.	Date	Description	Amount
8002	105294	09/30/07	M & P Investments	10,414.28
8002	105543	10/01/07	M & P Investments	41,513.87
	105298	11/26/07	Carol Langford, Expert Witness Retainer	5,500.00
			Processed 11/28/07	(5,500.00)
	7490	09/30/07	West Environmental Services	1,852.50
8001	105636	11/30/07	General Advice	1,243.08
8002	105619	11/30/07	M & P Investments	13,827.73
8003	105620	11/30/07	Hartford v. Col	805.90
8008	105621	11/30/07	Col v. Envision	120,720.06
			Less	(240.00)
Total				\$190,137.42

Kronick Moskovitz Tiedemann & Girard - Invoices Distribution				
Matter No.	Invoice No.	Date	Description	100351.7323
11233.001	235946	11/25/07	General Advice	31.80
11233.026	235946	11/25/07	Lodi First v. City of Lodi	1,873.00
11233.027	235946	11/25/07	Citizens for Open Government v.	2,845.75
11233.028	235946	11/25/07	Personnel and Employment	131.68
			Credits/Overpayments	-122.51
Total				4,759.72

APPROVED:

Blair King, City Manager

MISCELLANEOUS			Water Account
Invoice No.	Date	Description	Amount
SF-000026	7/11/2007	Capitol-San Francisco, LLC	537.78

FISCAL IMPACT: Expenses in the amount of \$4,759.72 will be paid out of the General Fund and \$4,718.75 billed to Walmart for City's defense of the Lodi First litigation and Citizens for an Open Government. The remaining expenses will be paid out of the Water Fund.

FUNDING AVAILABLE:

Water Fund	\$190,675.20
General Fund	\$ 4,759.72

Stephen Schwabauer, City Attorney

Approved: _____
Kirk Evans, Budget Manager

PCE/TCE Litigation
6-Month Budget Recap (July - December 2007)

NOVEMBER

Matter	6-Month Budget	Opening Balance for 6-Month Budget	One Month Amount	Amount Billed November**	Variance from Monthly Amount	Remainder 6-Month Budget	Cumulative Billed In 6-Mo. Budget Period
M&P, Related Cases includes matters 8001, 8002, 8005	\$ 513,000	\$ 448,785	\$ 85,500	\$15,071	-\$70,429	\$ 433,714	\$79,286
Hartford Action 8003	\$ 300,000	\$ 123,195	\$ 50,000	\$806	-\$49,194	\$ 122,390	\$177,610
Envision Claims 8008	\$ 670,000	\$ 498,230	\$ 111,667	\$120,720	\$9,053	\$ 377,510	\$292,490
Totals	\$ 1,483,000	\$1,070,210	\$ 247,167	\$136,597	-\$110,570	\$933,613	\$549,387

**Invoices dated December 6, 2007 for period November 1 through November 30, 2007.

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CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Reorganization of the Following Agency Meetings for the Purpose of Electing New Officers:

- Lodi Public Improvement Corporation
- Industrial Development Authority
- Lodi Financing Corporation
- City of Lodi Redevelopment Agency

MEETING DATE: December 19, 2007

PREPARED BY: City Clerk

RECOMMENDED ACTION: Conduct meetings of the following agencies for the purpose of electing new officers and adopt resolutions certifying the same.

- Lodi Public Improvement Corporation
- Industrial Development Authority
- Lodi Financing Corporation
- City of Lodi Redevelopment Agency

BACKGROUND INFORMATION: In light of the City Council reorganization, it is necessary to appoint new officers to the above listed agencies.

The City Council will appoint the newly elected Mayor and Mayor Pro Tempore as determined in the Council's reorganization to serve as the officers for each of these agencies for calendar year 2008.

There is no other business to come before the agencies at this meeting.

FISCAL IMPACT: None.

FUNDING AVAILABLE: None required.

Randi Johl
City Clerk/Secretary

RJ/JMP

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. LPIC2007-02

A RESOLUTION ELECTING OFFICERS OF THE
LODI PUBLIC IMPROVEMENT CORPORATION

=====

WHEREAS, under the organizational procedures of the Lodi Public Improvement Corporation, an annual meeting of Directors shall be held and officers elected.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Lodi Public Improvement Corporation that the following persons are elected to the offices set forth opposite their names below as officers of the Corporation, to serve until the election and qualification of their successors as provided in Article III, Section 2, of the bylaws of the Corporation:

<u>Name</u>	<u>Title</u>
JoAnne Mounce	President
Larry D. Hansen	Vice President
James R. Krueger	Treasurer
Randi Johl	Secretary

Dated: December 19, 2007

=====

I hereby certify that Resolution No. LPIC2007-02 was passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation in a regular meeting held December 19, 2007, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

RANDI JOHL
Secretary

LPIC2007-02

RESOLUTION NO. IDA-29

A RESOLUTION OF THE INDUSTRIAL
DEVELOPMENT AUTHORITY AMENDING
RESOLUTION NO. IDA-28 BY ELECTING
NEW OFFICERS

=====

RESOLVED by the Industrial Development Authority that Industrial Development Authority Resolution No. IDA-28 is hereby amended by electing new officers, as follows:

SECTION 1: There shall be appointed from the Board of Directors a Chairperson and Vice Chairperson as follows:

Chairperson: JoAnne Mounce

Vice Chairperson: Larry D. Hansen

SECTION 2: There shall be appointed from the staff to the Authority, a Secretary and Treasurer, as follows:

Secretary: Randi Johl

Treasurer: James R. Krueger

SECTION 3: This Resolution shall take effect immediately upon its passage.

=====

Approved and adopted December 19, 2007, by the following vote:

AYES: AUTHORIZING MEMBERS –

NOES: AUTHORIZING MEMBERS –

ABSENT: AUTHORIZING MEMBERS –

ABSTAIN: AUTHORIZING MEMBERS –

JOANNE MOUNCE
Chairperson, Industrial Development
Authority, City of Lodi, California

Attest:

RANDI JOHL, Secretary
Industrial Development Authority,
City of Lodi, California

IDA-29

RESOLUTION NO. LFC-17

A RESOLUTION ELECTING OFFICERS OF THE
LODI FINANCING CORPORATION

=====

WHEREAS, under the organizational procedures of the Lodi Financing Corporation, an annual meeting of Directors shall be held and officers elected.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Lodi Financing Corporation that the following persons are elected to the offices set forth opposite their names below as officers of the Corporation, to serve until the election and qualification of their successors as provided in Article III, Section 303, of the bylaws of the Corporation:

<u>Name</u>	<u>Title</u>
JoAnne Mounce	President
Larry D. Hansen	Vice President
James R. Krueger	Treasurer
Randi Johl	Secretary

Dated: December 19, 2007

=====

I hereby certify that Resolution No. LFC-17 was passed and adopted by the Board of Directors of the Lodi Financing Corporation in a regular meeting held December 19, 2007, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

RANDI JOHL
Secretary

RESOLUTION NO. RDA2007-05

A RESOLUTION OF THE REDEVELOPMENT AGENCY
OF THE CITY OF LODI ELECTING OFFICERS OF SAID
AGENCY AND WAIVING COMPENSATION FOR THE
DECEMBER 19, 2007, MEETING

WHEREAS, under the organizational procedures of the Redevelopment Agency of the City of Lodi, an annual meeting of Members shall be held and officers elected.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF LODI DOES HEREBY RESOLVE that the following persons are elected to the offices set forth opposite their names below as officers of the Agency, to serve until the election and qualification of their successors as provided in Article II of the bylaws of the Agency:

<u>Name</u>	<u>Title</u>
JoAnne Mounce	Chairperson
Larry D. Hansen	Vice Chairperson
Blair King	Executive Director
Randi Johl	Secretary
James R. Krueger	Finance Director
D. Stephen Schwabauer	General Counsel

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF LODI DOES FURTHER RESOLVE that the members of the Agency have waived the entitled compensation for the December 19, 2007, meeting.

Dated: December 19, 2007

I hereby certify that Resolution No. RDA2007-05 was passed and adopted by the Members of the Redevelopment Agency of the City of Lodi in a regular meeting held December 19, 2007, by the following vote:

AYES: MEMBERS –
NOES: MEMBERS –
ABSENT: MEMBERS –
ABSTAIN: MEMBERS –

JOANNE MOUNCE
Chairperson, City of Lodi
Redevelopment Agency

Attest:

RANDI JOHL
Secretary, City of Lodi Redevelopment Agency

RDA2007-05